

Mathematics Level 7

End-of-level review

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End-of-level review

This is a school-designed paper. It is not a VCAA instrument. Achievement in the Victorian Curriculum is reported against the Levels 9–10 band achievement standard, not against a mark on this paper.

End-of-level review · All four chapters · End-of-Level-9 check

Economics and Business Level 9 (Year 9) · Victorian Curriculum 2.0

Codes covered: VC2HE10K01 · VC2HE10K02 · VC2HE10K03 · VC2HE10K04 · VC2HE10K05 · VC2HE10K06 · VC2HE10K07 · VC2HE10K08 · VC2HE10K09 · VC2HE10S01 · VC2HE10S02 · VC2HE10S03 · VC2HE10S04 · VC2HE10S05 · VC2HE10S06 · VC2HE10S07

Name: _____ Date: _____

Total marks	60
Questions	18
Parts	Part A — the economics line (Chapter 1), 16 marks . Part B — the business, work and finance line (Chapter 2), 16 marks . Part C — Skills: investigating and interpreting (Chapter 3), 14 marks . Part D — Skills: evaluating, deciding and communicating (Chapter 4), 14 marks .
Timing	About 15 minutes per part — roughly one hour for the whole paper. This is a classroom check, not an exam; your teacher sets the timing.
What you need	Your workbook, a pen, and a calculator for the number questions. Every question names the section, figure, table or worked example it uses — keep the workbook open beside you.
Instructions	Answer in the ruled spaces; there is about one ruled line per mark. Show your working in any calculation — working earns marks even when the final number slips. Where a question says <i>explain</i> , <i>justify</i> or <i>give a reason</i> , the reason is worth the mark: a bare answer does not score it. On questions about a contested issue, you are marked on the quality of your reasoning, never on which side you reach.

This paper checks what you learned across all four chapters of the workbook: **18 questions, 60 marks in total**. Attempt every question. The final question of Part D draws threads from all four chapters together.

Part A — the economics line (16 marks)

Covers Chapter 1 — sections 1A, 1B, 1C and 1D. Answer all questions in the ruled spaces.

Question 1 — The circular flow (3 marks)

- (a) Using Figure 1 in section 1A, name the three decision-makers in the circular flow model. **(1 mark)**

- (b) Using Figure 1 in section 1A, give one example of a real flow and one example of a money flow between households and firms. **(2 marks)**

Question 2 — The 2026–27 Budget (4 marks)

- (a) Using Figure 4 in section 1A, state whether the 2026–27 Australian Government Budget is in surplus or in deficit, and give the size of the gap in dollars and as a share of GDP. **(2 marks)**

- (b) Using Figure 2 in section 1B, name one fiscal policy lever and explain how the government could use it to make the gap in part (a) smaller. **(2 marks)**

Question 3 — The cash rate and household budgets (3 marks)

- (a) Using Figure 5 in section 1A, describe how the cash rate target moved over the first half of 2026. **(1 mark)**

- (b) Section 1A works through the example of a family with a \$400,000 variable home loan when the cash rate rises by 0.25 of a percentage point. Using that example, state roughly how much the rise adds to the family's repayments over a year, and over a month. **(1 mark)**

- (c) Explain why the RBA raises the cash rate when inflation is running above the 2–3 per cent target band. **(1 mark)**

Question 4 — Reading the indicators (3 marks)

- (a) Using Figure 5 in section 1C, write the formula for the unemployment rate, and explain why the bottom of the fraction is the labour force rather than the whole population. **(2 marks)**

- (b) Using Figure 11 in section 1C, compare the unemployment rates of Victoria and Western Australia in July 2026. **(1 mark)**

Question 5 — Trade and the exchange rate (3 marks)

(a) Using Figure 3 in section 1D, name Australia's three largest exports in 2024–25. **(1 mark)**

(b) A hypothetical Australian business has to pay an invoice of US\$1,000. Figure 2 in section 1D shows what US\$1,000 costs in Australian dollars when the exchange rate is 0.60 and when it is 0.70. State the Australian-dollar cost at each rate, and say which rate is better for the business, with a reason. **(2 marks)**

Part B — the business, work and finance line (16 marks)

Covers Chapter 2 — sections 2A, 2B, 2C, 2D and 2E. Answer all questions in the ruled spaces.

Question 6 — Staying ahead of rivals (3 marks)

- (a) Section 2A gives two main routes to a competitive advantage. Name both. **(1 mark)**

- (b) Using the “Share a Coke” case study in section 2A, state one measurable result of the campaign in Australia, and name the P of the 6 Ps the campaign leaned on most, with a reason for your choice. **(2 marks)**

Question 7 — Productivity and people (3 marks)

- (a) Using Figure 1 in section 2B, calculate the labour productivity of each cafe — coffees per hour worked — and state which cafe is more productive. **(2 marks)**

- (b) Using Figure 5 in section 2B, name one financial reward and one non-financial reward a small business could offer its staff. **(1 mark)**

Question 8 — The pay safety net (4 marks)

- (a) The minimum wage chart in section 2C shows the adult national minimum wage each year from 2021 to 2026. Calculate the total hourly rise over those five years, and identify which year’s rise was the largest in percentage terms. **(2 marks)**

- (b) Using Example 1 in section 2C, explain why casual employees receive a 25 per cent casual loading, and name one paid entitlement they give up for it. **(2 marks)**

Question 9 — Borrowing and protecting (3 marks)

- (a) Using Figure 2 in section 2D, explain why buying the car with a deposit and a loan ends up costing more than the cash price. **(1 mark)**

- (b) Section 2D defines the premium and the excess of an insurance policy. State what each one is. **(1 mark)**

- (c) Question 8 in section 2D compares two hypothetical insurance providers, A and B. Explain why the policy with the lower premium is not always the cheaper choice. **(1 mark)**

Question 10 — Superannuation (3 marks)

(a) State the superannuation guarantee rate from 1 July 2025, and say who pays it. **(1 mark)**

(b) Section 2E reports super contributions for the year ending March 2026. State whether employer or member contributions were larger, and explain how the way the superannuation guarantee works accounts for the difference. **(2 marks)**

Part C — Skills: investigating and interpreting (14 marks)

Covers Chapter 3 — sections 3A, 3B, 3C and 3D. Answer all questions in the ruled spaces.

Question 11 — A question worth investigating (4 marks)

- (a) Section 3A sets out five tests for a good investigation question. Explain what it means for a question to be researchable. **(1 mark)**

- (b) Choose a current economic, business, work or financial issue that interests you. Write one focused question about it, then name two of the five tests your question passes and say why it passes each. **(3 marks)**

Question 12 — Handling data (3 marks)

- (a) Name the four steps of the process set out in section 3B. **(1 mark)**

- (b) Using worked example 1 in section 3B, calculate how much of Aiden’s \$1,200 budget would be left after each of his two holiday options, and state the difference between the two options’ costs. **(2 marks)**

Question 13 — Trends and causes (4 marks)

- (a) Section 3C uses ice creams and sunglasses to explain the difference between correlation and cause. Explain the point of the example, and name the “third thing” behind it. **(2 marks)**

- (b) State the two checks section 3C says to run before claiming one thing causes another. **(1 mark)**

- (c) The Bayview Sports study in section 3C surveyed 200 customers who had bought less. Give one survey finding that supports the claim that online rivals are squeezing the store, and say why it supports the claim. **(1 mark)**

Question 14 — When information is false (3 marks)

- (a) Section 3D separates misinformation from disinformation. Explain the difference. **(1 mark)**

- (b) Using worked example 1 in section 3D, explain why the claim “Australian unemployment is at a record high” — shared in August 2026 — is false. Use the two rates the example compares. **(2 marks)**

Part D — Skills: evaluating, deciding and communicating (14 marks)

Covers Chapter 4 — sections 4A, 4B and 4C. Question 18 also draws on sections 1A and 3B. Answer all questions in the ruled spaces.

Question 15 — Deciding between options (3 marks)

- (a) Figure 2 in section 4A scores two sandwich suppliers for a hypothetical school canteen, and section 4A then asks what happens if the canteen re-weights the scorecard so that price counts for 60 per cent. Explain why changing the weights can change which supplier wins, and state what this tells you about decisions made with a scorecard. **(2 marks)**

- (b) Name the five steps of cost-benefit analysis shown in Figure 1 of section 4A. **(1 mark)**

Question 16 — Authentic and valid (4 marks)

- (a) Section 4B checks sources for authenticity and for validity. Explain each check in one sentence. **(2 marks)**

- (b) Worked example 1 in section 4B tests a post that says: “Unemployment in Australia is just 4.1%. Source: ABS.” Explain why the number passes the authenticity check but fails the validity check. **(2 marks)**

Question 17 — Building an argument (3 marks)

- (a) Section 4C asks you to steelman the other side before you present. Explain what steelmanning means, and why section 4C requires it. **(2 marks)**

- (b) Using Table 1 in section 4C, name Australia’s largest goods export market in 2024–25 and state its share of all goods exports. **(1 mark)**

Question 18 — Bringing the threads together (4 marks)

This question draws threads from across the book. Bea, the bakery owner in worked example 2 of section 3B, is deciding whether to borrow \$6,000 to buy a new laminator now, or save up and buy it in a year’s time.

- (a) Using worked example 2 in section 3B, state the interest Bea pays in the first year on the \$6,000 loan, and say whether her estimated extra sales of \$300 a month cover it. **(1 mark)**

- (b) Figure 5 in section 1A shows the cash rate target rising three times in the first half of 2026. Explain one way that could change Bea’s borrowing decision. **(1 mark)**

- (c) A friend tells Bea: “The loan is a guaranteed way to double your profit within a year.” Using the claim-checking approach of section 3D or section 4B, state one question Bea should ask about the friend’s claim before she acts on it, and say why the question matters. **(1 mark)**
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- (d) Write your own one-sentence position on whether Bea should borrow and buy now, and support it with one piece of evidence from the worked example. **(1 mark)**
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Mark record

Question	Worth	Score
1	3	
2	4	
3	3	
4	3	
5	3	
6	3	
7	3	
8	4	
9	3	
10	3	
11	4	
12	3	
13	4	
14	3	
15	3	
16	4	
17	3	
18	4	
Total	60	

Marking guide

Teacher-facing. The paper is a classroom check, not an exam: 18 questions, 60 marks, one part per chapter, about 15 minutes per part. It assesses no new content — every item points at a figure, table or worked example the students have already met in the workbook, and every number in the solutions below is the book's own, named to its section. Mark reasoning quality, never the side a student reaches on a contested question (Q6b, Q15a, Q18c, Q18d). Accept any answer the book's own data supports, including alternatives to the models below. In calculation items, award the method mark when the method is right even if a number slips. All parts carry whole marks.

Mark map

Part	Questions	Marks	Sections drawn on	Focus
A — the economics line	Q1–Q5	16	1A, 1B, 1C, 1D	recall + application: circular flow, the Budget, the cash rate, indicators, trade and the exchange rate
B — the business, work and finance line	Q6–Q10	16	2A, 2B, 2C, 2D, 2E	recall + application: competitive advantage, productivity, the pay safety net, borrowing and insurance, superannuation
C — Skills: investigating and interpreting	Q11–Q14	14	3A, 3B, 3C, 3D	application: researchable questions, handling data, trends and causes, false information
D — Skills: evaluating, deciding and communicating	Q15–Q18	14	4A, 4B, 4C (+ 1A, 3B in Q18)	application + cross-chapter synthesis: scorecards and cost-benefit analysis, authenticity and validity, arguments, Q18
Total		60	all 16 sections	

Allocating marks, question by question

Q1 (3 marks). (a) 1 mark for all three: households, firms, government — award 0 for fewer than three. (b) 2 marks: 1 for a real flow from Figure 1 (goods and services from firms to households, or factors of production from households to firms), 1 for a money flow (consumer spending from households to firms, or factor income from firms to households; taxes or government flows also accepted if between the right pair). Direction must be right for each flow.

Q2 (4 marks). (a) 2 marks: 1 for “deficit”; 1 for both figures — \$31.5 billion and 1.0% of GDP. (b) 2 marks: 1 for naming a fiscal lever from Figure 2 — taxation or government spending (the cash rate is the RBA’s monetary tool, not a government fiscal lever: award 0 for the named lever); 1 for an explanation tied to the named lever that shrinks the gap — raise taxes to lift receipts, or slow payments growth.

Q3 (3 marks). (a) 1 mark for the shape: three rises of 0.25 of a percentage point (February, March, May 2026) taking the target to 4.35%, then held at the June and August meetings. “It went up” alone does not score. (b) 1 mark for both: about \$1,000 a year and roughly \$83 a month on the \$400,000 loan. (c) 1 mark for a chain that holds: higher cash rate → dearer borrowing → households and firms trim spending → demand cools → inflation drifts back towards the 2–3 per cent band.

Q4 (3 marks). (a) 2 marks: 1 for the formula — $\text{unemployment rate} = (\text{unemployed} \div \text{labour force}) \times 100$; 1 for the reason — only people in the labour force (working or actively looking) can be counted as unemployed, so the whole population, which includes children, retirees and others outside the labour force, would make the rate meaningless. (b) 1 mark: Victoria 5.1% against Western Australia 4.4% in July 2026 — WA lower (tighter) by 0.7 of a percentage point.

Q5 (3 marks). (a) 1 mark for all three: iron ore, coal, natural gas (accept LNG). (b) 2 marks: 1 for both costs — A\$1,667 at 0.60 and A\$1,429 at 0.70; 1 for choosing 0.70 with a reason — a stronger Australian dollar means fewer Australian dollars are needed to buy the same US\$1,000 invoice (saving A\$238).

Q6 (3 marks). (a) 1 mark for both routes: a cost advantage (the same value at a lower price) and differentiation (something different or better that customers will pay for). (b) 2 marks: 1 for a measurable result — sales to young adults up about 7%, or Coke's share of the soft-drink market up about 4%; 1 for naming a P of the 6 Ps with a reason tied to the campaign. Promotion is the expected answer (the 250 names turned the bottles into talk and sharing), but accept product or any other P where the reason genuinely ties to how the campaign worked — mark the reasoning, not the letter chosen.

Q7 (3 marks). (a) 2 marks: 1 for both rates — Cafe A $800 \div 160 = 5$ coffees per hour, Cafe B $960 \div 160 = 6$; 1 for naming Cafe B more productive with the reason — same inputs (4 staff, 160 hours), more output. (b) 1 mark for one of each kind from Figure 5 — financial: base pay, penalty rates, bonuses or commissions, superannuation, paid leave; non-financial: recognition and feedback, flexible working, interesting varied tasks and a say, training and promotion pathways, a safe supportive fair workplace.

Q8 (4 marks). (a) 2 marks: 1 for the total rise $\$26.44 - \$20.33 = \$6.11$ an hour; 1 for 2023, the +8.6% rise — the largest of the five in percentage terms. (b) 2 marks: 1 for the reason — the loading compensates casuals for missing out on paid leave (it is a trade, not a bonus: Example 1 puts it at \$251.00 more a week for the same 38 hours); 1 for naming an entitlement given up — paid annual leave, paid personal leave or paid public holidays.

Q9 (3 marks). (a) 1 mark: the loan adds interest on the borrowed \$12,000 — in the figure's example, \$3,600 over three years, taking the total to \$21,600 against the \$18,000 cash price; the extra is the cost of finance. (b) 1 mark for both: the premium is the regular payment for the cover; the excess is the first part of a claim the policyholder pays themselves. (c) 1 mark: the excess is paid on top when a claim happens — in Question 8 of section 2D, provider A is cheaper claim-free (\$1,150 against \$1,400) but dearer in a claim year ($\$1,150 + \$1,500 = \$2,650$ against $\$1,400 + \$600 = \$2,000$), so the lower premium carries the bigger hit when something goes wrong.

Q10 (3 marks). (a) 1 mark: 12% (from 1 July 2025), paid by the employer on top of wages. (b) 2 marks: 1 for employer contributions larger — \$159.8 billion (70.7%) against members' \$66.3 billion (29.3%) of the \$226.1 billion total; 1 for the explanation — the superannuation guarantee makes employer contributions compulsory for nearly every worker, while member contributions are voluntary, so the compulsory stream outweighs the voluntary one.

Q11 (4 marks). (a) 1 mark: a researchable question is one where the answer lives somewhere — real sources exist that can answer it; a question no source can answer is not researchable. (b) 3 marks: 1 for a question that is genuinely focused (one issue, decision or comparison, with a place and/or time); 1 each for two named tests of the five (focused, researchable, clear words, no hidden answer, contemporary) with a reason the student's own question passes each. Judge the fit, not the topic. A question that fails "no hidden answer" (a judgement word baked in) does not score the focus mark.

Q12 (3 marks). (a) 1 mark for all four in order: locate, select, organise, analyse. (b) 2 marks: 1 for both remainders — Option A (city break, \$990) leaves $\$1,200 - \$990 = \$210$; Option B (coastal camping, \$542.70) leaves $\$1,200 - \$542.70 = \$657.30$; 1 for the difference $\$990 - \$542.70 = \$447.30$.

Q13 (4 marks). (a) 2 marks: 1 for the point — ice-cream and sunglasses sales move together, but neither causes the other; moving together (correlation) is not proof of cause; 1 for naming the third thing — hot weather drives both. (b) 1 mark for both checks: order (the cause must come first in time) and third things (ask whether a third factor could be driving both). (c) 1 mark for a finding plus a tie: 34% found it cheaper online, or 26% now buy online for home delivery (together 60% gave online reasons) — customers themselves put the fall in sales down to online rivals, which is direct evidence for the squeeze claim. (15% fewer brands or 9% slow service alone do not support the *online* claim.)

Q14 (3 marks). (a) 1 mark: misinformation is false information shared with no aim to deceive — the sharer believes it; disinformation is false information made on purpose to deceive. The difference is intent. (b) 2 marks: 1 for the comparison — July 2026’s 4.5% is far below the peak of 7.4% in June–July 2020 (the series also fell as low as 3.4% in July 2022, so 4.5% sits mid-range); 1 for the conclusion — a “record high” would have to beat every previous rate, and it does not, so the claim is false.

Q15 (3 marks). (a) 2 marks: 1 for the mechanism — at the original weights (price 40, freshness 30, delivery 20, packaging 10) Supplier B wins 3.9 to 3.5 because B’s strengths sit where the weights are heaviest; re-weighting to price 60%, freshness 20%, delivery 20%, packaging 0% flips it to A 3.8 against B 3.6 because A’s strength is price — the scores never changed, only the weights did; 1 for the lesson — the judgement lives in the weights: a scorecard organises a decision but does not make it, so weights must be chosen openly and defended. (b) 1 mark for all five steps: frame the decision; list costs and benefits; value each item; add up and compare (net benefit = benefits – costs); recommend and check.

Q16 (4 marks). (a) 2 marks: 1 for authenticity — the information is genuine, really from the named source, and unchanged; 1 for validity — it is up to date, is the right measure for the claim, and uses a fair period and axis. (b) 2 marks: 1 for why authenticity passes — 4.1% is a genuine ABS figure (the release of 20 August 2026, seasonally adjusted) for December 2025, really from the named source and unchanged; 1 for why validity fails — the post is dated 26 August 2026 but quotes a December 2025 number with no date, while the latest figure in the same release is 4.5% for July 2026: old data presented as current.

Q17 (3 marks). (a) 2 marks: 1 for the meaning — to steelman is to state the other side’s strongest case as honestly as you can, the way its own supporters would put it, before you answer it; 1 for the why — an argument that only talks to weak versions of the other side proves nothing; answering the strongest case is what earns the conclusion trust (and in this book, marks follow the reasoning, never the side). (b) 1 mark: China, 33.3% of all goods exports (\$170,437 million $\approx$ \$170.4 billion).

Q18 (4 marks). (a) 1 mark: interest $\$6,000 \times 9.00\% = \$540$ in year 1; the estimated extra sales of \$300 a month (\$3,600 a year) cover it — a year-1 net gain of +\$3,060 on her own estimate. (b) 1 mark for any chain linking the cash rate to her decision: the three 2026 rises push bank lending rates up — section 3B’s RBA Table F5 series shows the small business variable term rate climbing to 9.00% by July 2026 — so further rises would lift Bea’s interest bill above \$540 and shrink the gain; on section 3B’s own test, extra profit below about \$45 a month turns year 1 into a loss. Consequences accepted: delay, seek a fixed rate, or re-run the numbers before signing. (c) 1 mark for a checking question plus why it matters — e.g. “What evidence is that claim based on, and from what named source?” A claim is not true or false until it is checked (3D); “guaranteed” doubling matches the investment-scam pattern of 3D’s worked example 2, and the size of a claim must match the size of its evidence (4B/3D). From 4B: identify the source, then run the authenticity and validity checks. (d) 1 mark: a position stated in one sentence plus one piece of evidence from the worked example. Model (either side scores when evidenced): “Bea should borrow and buy now — her own figures put her \$3,060 ahead in year 1 and the machine pays for itself by month 22 instead of month 32, provided the two-week trial confirms extra profit above roughly \$45 a month.” A wait-and-save position that cites the rising-rate risk or the trial result scores the same mark. Never mark the side chosen.

Diagnostic mapping to the Levels 9–10 band achievement standard

Economics and Business is a two-level band with **one** achievement standard, stated at the end of Level 10 (series plan §1; decision D1) — there is no separate Level 9 standard. The left column restates each clause of that standard in this book’s own words; the right column shows which items give evidence towards each clause. This paper is the Level 9 exit check for the workbook: a mark is evidence of progress towards the band standard, not a verdict on it. A clause answered weakly points at the sections to revisit.

What the band standard asks for, in this book’s words	Evidence in this paper
How the economy’s circular flow works, and whether particular government and RBA interventions — fiscal and monetary policy — fit the situation.	Q1, Q2, Q3, Q18(b)
How the economy’s different sectors depend on one another.	Q1, Q2
Which indicators measure economic performance, and	Q4

What the band standard asks for, in this book's words	Evidence in this paper
what they show.	
What follows for Australia from taking part in the world economy through trade.	Q5, Q17(b)
How and why a business can build and keep an edge over rivals, and what entrepreneurship, marketing and public relations contribute.	Q6
The HRM strategies employers use to lift competitiveness.	Q7
What unions and employer groups do at work.	Q8 (the FWC's annual wage review, where unions and employer groups put their cases)
How the risks and rewards of consumer and financial choices are managed, and what follows from them.	Q9
Why super matters to individuals and to the community, and what shapes big consumer money decisions.	Q10 (and Q9 on decision factors)
Sharpening questions about today's economics and business issues, and finding, choosing and ordering the information and data needed.	Q11, Q12
Putting those skills to work on issues: spotting trends, tracing cause and effect, and predicting what may follow.	Q13
Building and checking a response to an issue, by weighing costs and benefits or by scoring against criteria.	Q15, Q18(a), Q18(d)
Judging whether sources are authentic and valid.	Q14, Q16, Q18(c)
Explaining and presenting an argument with the subject's own terms and with sources cited.	Q17, Q18(d)

Score

Part	Marks
Part A — the economics line	/16
Part B — the business, work and finance line	/16
Part C — Skills: investigating and interpreting	/14
Part D — Skills: evaluating, deciding and communicating	/14
Total	/60

A part mark well below the student's usual class work points at retention, not at coverage — every item here was taught and practised in its chapter, and the mark map names the sections to revisit. Question 18 is the readiness check for the band's second year: a student who can move between a cash-rate change (Chapter 1), a small-business borrowing decision (Chapters 2 and 3) and a claim check (Chapters 3 and 4) in one answer is working across the strands the way the band expects.

Solutions

Teacher-facing. Fully-worked solutions in paper order. Every number is the workbook's own, named to its section — no new data is introduced here.

Answer key

Q	Answer in brief	Marks
1	(a) households, firms, government (b) e.g. real: goods and services, firms → households; money: consumer spending, households → firms	3
2	(a) deficit; \$31.5 billion; 1.0% of GDP (b) taxation or government spending, used to lift receipts or slow payments	4
3	(a) three 0.25-point rises (Feb, Mar, May 2026) to 4.35%, held in June and August (b) ≈ \$1,000 a year, ≈ \$83 a month (c) dearer borrowing cools spending, so inflation drifts back to the 2–3% band	3
4	(a) $(\text{unemployed} \div \text{labour force}) \times 100$; only labour-force members can be counted unemployed (b) Victoria 5.1% vs Western Australia 4.4% (Jul 2026)	3
5	(a) iron ore, coal, natural gas (b) A\$1,667 at 0.60; A\$1,429 at 0.70; 0.70 is better — a stronger A\$ buys the same US\$1,000 for fewer dollars	3
6	(a) cost advantage; differentiation (b) sales to young adults +7% (or market share +4%); promotion (accept any P with a reason)	3
7	(a) A: $800 \div 160 = 5/\text{hr}$; B: $960 \div 160 = 6/\text{hr}$; B more productive (b) any financial + any non-financial reward from Figure 5	3
8	(a) \$6.11 total rise; 2023 (+8.6%) largest (b) compensation for no paid leave; annual, personal leave or public holidays	4
9	(a) interest on the \$12,000 borrowed (+\$3,600 in the figure) (b) premium = regular payment; excess = first part of a claim you pay (c) A claim-free \$1,150 vs B \$1,400, but claim year A \$2,650 vs B \$2,000	3
10	(a) 12%, paid by employers (b) employer, \$159.8b (70.7%) vs member \$66.3b (29.3%) — the guarantee is compulsory, member	3

Q	Answer in brief	Marks
11	contributions voluntary (a) the answer must live somewhere — real sources can answer it (b) own focused question + two of the five tests with reasons	4
12	(a) locate, select, organise, analyse (b) A leaves \$210; B leaves \$657.30; difference \$447.30	3
13	(a) moving together is not cause; hot weather drives both (b) order; third things (c) 34% found it cheaper online (or 26% buy online; 60% online reasons)	4
14	(a) intent — mistake vs made on purpose to deceive (b) 4.5% (Jul 2026) is below the 7.4% peak (Jun–Jul 2020), so not a record	3
15	(a) weights flip the winner (B 3.9 → A 3.8 at price 60%); the judgement lives in the weights (b) frame; list; value; add up and compare; recommend and check	3
16	(a) authentic = genuine, from the named source, unchanged; valid = up to date, right measure, fair period and axis (b) 4.1% is a real ABS figure for Dec 2025, but stale as at 26 Aug 2026 — current is 4.5% (Jul 2026)	4
17	(a) state the other side's strongest case as its supporters would; weak versions prove nothing (b) China; 33.3%	3
18	(a) \$540; covered — \$3,600 a year, net +\$3,060 (b) cash-rate rises lift lending rates, so interest climbs above \$540 and the margin shrinks (c) e.g. “What evidence, from what named source?” — the claim is unchecked, and “guaranteed doubling” matches the scam pattern (d) own position + one piece of evidence; either side scores	4

Worked solutions

Q1. (a) The three decision-makers in the circular flow model (Figure 1, section 1A) are **households, firms and government**. (b) A real flow between households and firms: goods and services moving from firms to households (or factors of production moving the other way). A money flow between the same pair: consumer spending moving from households to firms (or factor income moving from firms to households). The figure's rule: real flows are the things themselves; money flows are the payments that travel the other way.

Q2. (a) Figure 4 in section 1A shows receipts of \$798.1 billion against payments of \$829.6 billion — payments are bigger, so the 2026–27 Budget planned a **deficit of \$31.5 billion**, equal to **1.0% of GDP**, which the government borrows to cover. (b) From Figure 2 in section 1B the government’s fiscal levers are taxation and government spending. Either: raise taxes so receipts grow and the gap narrows, or slow the growth of payments so spending falls towards receipts. (The cash rate is not available here — it belongs to the RBA’s monetary policy, not to the government’s fiscal policy.)

Q3. (a) Over the first half of 2026 the cash rate target **rose three times** — 0.25 of a percentage point each in February, March and May — from 3.60% to **4.35%**, and was **held** at the June and August meetings (Figure 5, section 1A). (b) The section 1A worked example puts a 0.25-point rise on a \$400,000 variable loan at about **\$1,000 a year**, roughly **\$83 a month**, if the bank passes it on in full. (c) With inflation above the 2–3 per cent target band, a higher cash rate makes borrowing dearer, so households and firms trim spending; slower spending cools demand and pulls inflation back down towards the band — the contractionary setting of Figure 3 in section 1A.

Q4. (a) Unemployment rate = **(unemployed ÷ labour force) × 100** (Figure 5, section 1C). The denominator is the labour force — the people working or actively looking — because only they can be counted as unemployed; the whole population includes children, retirees and others outside the labour force, and dividing by it would understate the rate and tell us nothing about the people actually looking for work. (b) In July 2026 (Figure 11, section 1C) Victoria’s unemployment rate was **5.1%** against Western Australia’s **4.4%** — the labour market in Western Australia was tighter by 0.7 of a percentage point.

Q5. (a) Australia’s three largest exports in 2024–25 (Figure 3, section 1D) were **iron ore** (A\$116.4 billion), **coal** (A\$71.3 billion) and **natural gas** (A\$64.7 billion). (b) At 0.60, US\$1,000 costs **A\$1,667**; at 0.70 it costs **A\$1,429** (Figure 2, section 1D). The **0.70** rate is better for the business: the stronger the Australian dollar, the fewer Australian dollars are needed to buy the same US-dollar invoice — here a saving of A\$238.

Q6. (a) Section 2A’s two routes to a competitive advantage are a **cost advantage** — offering the same value at a lower price — and **differentiation** — offering something different or better that customers will pay for. (b) Measurable results of “Share a Coke” in Australia: sales to young adults up about **7%**, and Coke’s share of the soft-drink market up about **4%**. The campaign leaned hardest on **promotion** — replacing the logo with 250 popular first names turned every bottle into a talking point people shared and photographed; the drink itself did not change. (An answer arguing **product** — the named bottle *was* a different product on the shelf — scores equally when the reason ties to the campaign.)

Q7. (a) Both cafes use the same inputs — 4 staff, 160 hours a week (Figure 1, section 2B). Cafe A: $800 \div 160 = 5$ **coffees per hour**. Cafe B: $960 \div 160 = 6$ **coffees per hour**. **Cafe B is more productive**: same input, more output per hour. (b) From Figure 5 in section 2B — financial: penalty rates, a bonus for a busy month, commissions, superannuation or paid leave; non-financial: recognition and feedback, flexible rosters, interesting varied tasks with a say in how work is done, training and a promotion path, or a safe, supportive, fair workplace. Any one of each.

Q8. (a) From the minimum wage chart in section 2C: $\$26.44$ (2026) – $\$20.33$ (2021) = **\$6.11 an hour** over the five rises. The largest percentage rise was **2023’s +8.6%**. (b) Casuals get the **25% loading because they miss out on paid leave** — it is compensation for a trade, not a bonus: Example 1 in section 2C puts the casual \$251.00 a week ahead in cash for the same 38 hours, and the entitlements given up are **paid annual leave, paid personal leave and paid public holidays** (any one).

Q9. (a) In Figure 2 of section 2D the loan path borrows \$12,000 (after the \$6,000 deposit) at the example’s 10% flat rate for three years: interest of \$1,200 a year, **\$3,600** in total — so the financed car costs **\$21,600** against the **\$18,000** cash price. The extra \$3,600 is the cost of finance: borrowing is never free. (b) The **premium** is the regular payment for the cover; the **excess** is the first part of any claim the policyholder pays themselves. (c) Because the excess is paid on top when a claim happens. In Question 8 of section 2D, provider A (premium \$1,150, excess \$1,500) is cheaper in a claim-free year, but in a year with a \$4,000 repair A costs $\$1,150 + \$1,500 = \$2,650$ while B (premium \$1,400, excess \$600) costs **\$2,000**. The lower premium simply moves the cost into the claim.

Q10. (a) From 1 July 2025 the superannuation guarantee rate is **12%**, paid by the **employer** on top of wages. (b) For the year ending March 2026 (section 2E, APRA data), **employer contributions were larger**: \$159.8 billion (70.7% of the \$226.1 billion total) against members’ \$66.3 billion (29.3%). The gap follows from how the system works: the

guarantee makes employer contributions **compulsory** for nearly every worker, while member contributions are **voluntary** — a compulsory stream outweighs an optional one.

Q11. (a) A question is **researchable** when you know where its answer lives — real sources exist that can answer it (section 3A). A question no source could answer is not researchable, however interesting. (b) Model — issue: the 2026 minimum wage decision. Question: “*Did the minimum wage rise of 1 July 2026 keep up with the rise in prices?*” Tests: **researchable** — the FWC decision and the ABS CPI series both exist and answer it; **contemporary** — it is about this year’s decision and this year’s inflation; also focused (one wage, one date) and no hidden answer (it could come out yes or no). Any focused question with two tests genuinely shown scores full marks — including questions about the student’s own community or a business they know.

Q12. (a) The four steps of section 3B: **locate, select, organise, analyse**. (b) Worked example 1: budget \$1,200. Option A (Melbourne city break) costs \$990, leaving $\$1,200 - \$990 = \$210$. Option B (coastal camping trip) costs \$542.70, leaving $\$1,200 - \$542.70 = \$657.30$. The difference between the options is $\$990 - \$542.70 = \$447.30$ — both fit the budget, so the real question is which is the better use of the money.

Q13. (a) Ice-cream sales and sunglasses sales both jump on hot days — they move together. But buying ice cream does not cause anyone to buy sunglasses, or the reverse: a **third thing, hot weather**, drives both. The point: correlation — two things moving together — is not proof of cause. (b) The two checks of section 3C: **order** — the cause must come first in time; **third things** — ask whether a third factor could be driving both. (c) Of the 200 customers who bought less, **34% said they found it cheaper online** and **26% said they now buy online for home delivery** — together 60% gave online reasons. That is customers themselves putting the fall in sales down to online rivals, which is direct evidence for the squeeze claim. (The 15% “fewer brands” and 9% “slow service” findings point to other causes and do not support it.)

Q14. (a) **Misinformation** is false information shared with no aim to deceive — the sharer believes it is true. **Disinformation** is false information made on purpose to deceive. What splits them is intent. (b) Worked example 1 in section 3D: the unemployment rate stood at **4.5% in July 2026**, but the same series peaked at **7.4% in June–July 2020** (and fell as low as 3.4% in July 2022). A “record high” would have to beat every previous rate — 4.5% is nowhere near 7.4% — so the claim is false. It is a rise, not a record.

Q15. (a) At the original weights — price 40%, freshness 30%, delivery 20%, packaging 10% — Supplier B wins **3.9 to 3.5**, because its strengths sit where the weights are heaviest. Re-weight so price counts for 60% (freshness 20%, delivery 20%, packaging 0%) and the totals become A **3.8**, B **3.6**: A wins. No score changed — only the weights did, and the winner flipped. That is the lesson: **the judgement lives in the weights**. A scorecard organises a decision; it does not make one, so the weights must be chosen openly and defended. (b) The five steps of cost-benefit analysis (Figure 1, section 4A): **1 frame the decision; 2 list costs and benefits; 3 value each item; 4 add up and compare** (net benefit = total benefits – total costs); **5 recommend and check** — test whether a small change to the estimates would flip the answer.

Q16. (a) **Authenticity**: the information is genuine, really from the named source, and unchanged. **Validity**: it is up to date, is the right measure for the claim being made, and is presented with a fair period and a fair axis. A source must pass both before you rely on it. (b) The 4.1% is a genuine ABS figure — the seasonally adjusted rate for **December 2025**, in the release of 20 August 2026 — really from the named source and unchanged, so **authenticity passes**. But the post is dated **26 August 2026** and presents the number with no date, while the latest figure in the same release is **4.5% for July 2026**: old data presented as current, so **validity fails**.

Q17. (a) To **steelman** the other side is to state its strongest case as honestly as you can — the way its own supporters would put it — before you answer it (section 4C). The section requires it because an argument that only talks to weak versions of the other side proves nothing; answering the strongest case is what makes a conclusion trustworthy. (In this book, marks follow the reasoning, never the side reached.) (b) Table 1 in section 4C: Australia’s largest goods export market in 2024–25 was **China**, taking **33.3%** of all goods exports — \$170,437 million of the \$512,271 million total.

Q18. (a) Bea’s first-year interest is $\$6,000 \times 9.00\% = \$540$ (the RBA-reported small business variable term loan rate, July 2026). Her estimated extra sales of \$300 a month are \$3,600 a year, so they **cover the interest comfortably** — a year-1 net gain of $\$3,600 - \$540 = +\$3,060$ on her own estimate. (b) Figure 5 in section 1A shows the cash rate target rising three times in the first half of 2026, to 4.35%. Banks price business loans off the cash rate, so further rises

would push Bea's **variable** rate above the 9.00% she was quoted and lift her interest bill above \$540 — her margin shrinks, and section 3B's own test says extra profit below about **\$45 a month** turns year 1 into a loss. She might delay, seek a fixed rate, or re-run the numbers before signing. (c) Model question: **"What evidence is that claim based on — and from what named source?"** A claim is neither true nor false until it is checked (section 3D), and "a guaranteed way to double your profit" has the shape of the investment-scam pattern in 3D's worked example 2 — promises of guaranteed doubling with no checkable source. Even from a friend, the size of the claim must match the size of the evidence (sections 3D and 4B); from 4B, Bea would identify the source and run the authenticity and validity checks before acting. (d) Model position (the opposite side scores the same mark when evidenced): *"Bea should borrow and buy now, because her own figures put her \$3,060 ahead in year 1 and the machine pays for itself by month 22 instead of month 32 — provided the two-week trial confirms extra profit above roughly \$45 a month."* A wait-and-save position citing the rising cash rate, the variable-rate risk or an unproven trial earns the same mark. Marks go to a stated position plus evidence from the worked example — never to the side chosen.