Question 1

Which of the following statements is NOT correct about how wage rates have changed over the last couple of decades in Australia?

Select one:

Select one:

a. Wages have historically grown along with productivity, because it means there is no real increase to the cost of production.

b. The low wage rises of the recent past years in Australia are a reflection of the low inflation rate and the low productivity rate compared to other OECD nations.

c. The nexus between wages growth and productivity increases started to deviate as industrial relations changes were introduced from 1996.

d. Overall, increasing wage rates increase the cost of production in the short term, but lead to an increase in demand in the longer term.

Question 2

Which of the following is NOT a determinant of household consumption of goods and/or services?

Select one:

Select one:

a. Business investment.

b. The availability and cost of credit.

c. The stock of household wealth.

d. Expectations, fear, uncertainty.

Question 3

The changes in the structure of the Australian labour market over the past couple of decades have been advantageous to the demand for labour because:

Select one:

a. casual workers are more skilled, and provide greater commitment to the business

b. casual workers can be dismissed more easily, which improves business efficiency

c. it has reduced the number of hours that full-time employed workers have been expected to work

d. it has allowed some workers, such as mothers and students, greater participation in the labour force

Question 4

The following are brief descriptions of industrial relations arrangements that have been in place in Australia at some time over the past 100 years. Which of them are the current industrial relations process?

Select one:

Select one:

a. 'certified agreements' at the organisational level, referenced to a 'no disadvantage test' against the appropriate Award

b. enterprise bargaining referenced to the "Better Off Overall" test against the Award that would have applied

c. individual workplace agreements with no 'safety net'

d. a centralised system with collective bargaining

Question 5

Which of the following alternatives is NOT true about (the economic definition of) Investment in the economy?

Select one:

Select one:

a. If inventories are 'run down' this contributes negatively to investment spending

b. Fluctuates significantly because the key influence is the expected rate of return from the investment.

c. Investment includes gross fixed capital formation, new residential housing and changes in inventory.

d. The level of investment primarily changes with interest rate changes.

Question 6

The labour force of an economy consists of:

Select one:

Select one:

a. all people over the age of 15

b. all people over the age of 15, and who are employed

c. all people over the age of 15, and are employed or unemployed

d. all people who are over the age of 15 and are employed or unemployed, or were employed in the past

Question 7

The Consumption to household disposable income ratio (C/Yd) was greater than 100% in some years since 2000. This was possible because:

Select one:

Select one:

a. Business investment increased.

b. Household disposable income fell quite a lot.

c. Incomes rose quite a lot.

d. Individuals or households dis-saved.

Question 8

The spending decision of households:

Select one:

Select one:

a. Determines how much output there is from firms.

b. Do not affect firms’ production decisions.

c. Exert little influence on overall economic activity.

d. Are highly unstable when aggregated over the whole economy.

Question 9

What is the ABS defined labour force status of each of these 3 people?

Abby, 37 years old, is a single Mum, not working at the moment but currently studying full time and hoping to start work when her course ends, in 6 months time.

Brendan, 65 years old, retired several months ago, but is doing three hours a week paid work at the moment to help out his old workplace through a busy time.

Carol is 62 years old, and she retired from the workforce last year. She is volunteering 10 hours of (unpaid) work per week at a thrift shop.

Select one:

a. Abby is unemployed, Brendan is not in the labour force and Carol is not in the labour force

b. Abby is unemployed, Brendan is employed and Carol is employed

c. Abby is not in the labour force, Brendan is not in the labour force and Carol is unemployed

d. Abby is not in the labour force, Brendan is employed and Carol is not in the labour force

Question 10

The compulsory arbitration system as compared to the system of enterprise bargaining that has been more prevalent over the past couple of decades:

Select one:

a. was thought to reduce productivity and output growth in the economy, by restricting flexibility

b. prevented businesses from paying higher than Award wages, and prevented workers for asking for higher wages

c. allowed a greater level of numerical and functional flexibility than the enterprise bargaining system

d. was very easy for businesses to use in their daily operations, because it was a clear set of rules to follow