

91222



NEW ZEALAND QUALIFICATIONS AUTHORITY  
MANA TOHU MĀTAURANGA O AOTEAROA

2

SUPERVISOR'S USE ONLY

## Level 2 Economics, 2013

### 91222 Analyse inflation using economic concepts and models

2.00 pm Monday 11 November 2013

Credits: Four

Achievement	Achievement with Merit	Achievement with Excellence
Analyse inflation using economic concepts and models.	Analyse inflation in depth using economic concepts and models.	Analyse inflation comprehensively using economic concepts and models.

Check that the National Student Number (NSN) on your admission slip is the same as the number at the top of this page.

**You should attempt ALL the questions in this booklet.**

If you need more room for any answer, use the extra space provided at the back of this booklet.

Check that this booklet has pages 2–12 in the correct order and that none of these pages is blank.

**YOU MUST HAND THIS BOOKLET TO THE SUPERVISOR AT THE END OF THE EXAMINATION.**

**TOTAL**

ASSESSOR'S USE ONLY





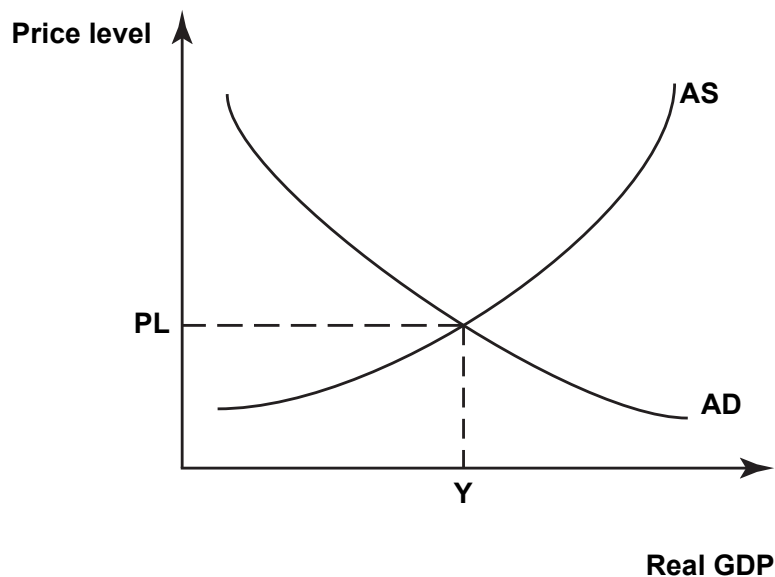


- (b) Compare and contrast the impact on inflation of lower personal income tax rates with the impact of lower interest rates.

In your answer:

- fully label Graph Two to show the impact of lower interest rates on inflation
- explain in detail how lower interest rates would affect inflation
- explain in detail how lower personal income tax rates may have a smaller or greater impact on inflation than lower interest rates
- refer to the changes you made on Graphs One and Two to support your explanations.

**Graph Two**





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The examination continues on the following page.**











