

## **JJC J2H2 Prelim Exam Question 5**

Discuss the view that potential trade-offs is the main reason why governments need to implement a mix of policies in order to achieve their macroeconomic aims in their economies. [25]

### **Introduction**

- List and explain the macroeconomic aims.
- List and explain the policies which can be implemented.

### **Body**

**Thesis: Potential trade-offs is the main reason why government need to implement a mix of policies in order to achieve the macroeconomic aims in their economies**

- Explain 2-3 trade-offs and link back to the question as to why it will require government to implement a mix of policies.
  - o EG conflict with internal price stability
  - o EG conflict with healthy BOP
  - o EG conflict with negative externalities

**Anti-thesis: There are other reasons why government need to implement a mix of policies in order to achieve the macroeconomic problems in their economies**

- Provide 2-3 other reasons and link back to the question as to why it will require government to implement a mix of policies.
  - o Constraints faced by the government such as small multiplier
  - o Fiscal debt
  - o Root cause of problem

### **Evaluative conclusion**

**Stand + 2-3 well elaborated justification**

- Combination of factors
- Priority of government

	<b>Knowledge, Application/Understanding and Analysis</b>	
<b>L3</b>	For a well-developed explanation of how potential trade-offs and other factors may lead to government implementing a mix of policies to achieve their macroeconomic aims in their economies.	15-20
<b>L2</b>	For a descriptive explanation of how potential trade-offs and other factors may lead to government implementing a mix of policies to achieve their macroeconomic aims in their economies.	9-14
<b>L1</b>	For an answer that shows a descriptive knowledge of how potential trade-offs and other factors may lead to government implementing a mix of policies to achieve their macroeconomic aims in their economies.	1-8
	<b>Evaluation</b>	
<b>E3</b>	For an evaluative assessment which synthesises economic arguments to arrive at well-reasoned judgments on how various factors would lead	<b>4-5</b>

	to government implementing a mix of policies to achieve their macroeconomic aims in their economies.	
<b>E2</b>	For an answer that makes some attempt at an evaluative appraisal about how various factors would lead to government implementing a mix of policies to achieve their macroeconomic aims in their economies.	<b>2-3</b>
<b>E1</b>	For an unsupported judgment about how various factors would lead to government implementing a mix of policies to achieve their macroeconomic aims in their economies.	<b>1</b>