

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

	Knowledge, Application/Understanding and Analysis	
L3	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
L2	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
L1	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
	Evaluation	
E3	For an evaluative assessment which synthesises economic arguments to arrive at well-reasoned judgments on how various factors would lead	4-5

	to government implementing a mix of policies to achieve their macroeconomic aims in their economies.	
E2	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.	2-3
E1	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.	1