



# **Economics**

## **Stage 6**

### **Support Document**

#### **Part A — Preliminary Course**

Every effort has been made to contact all copyright owners. The Board of Studies NSW apologises if it has inadvertently used material in which copyright resides. For acknowledgement in future editions please contact the Copyright Officer at the Board of Studies NSW.

The Board of Studies owns the copyright on all support documents. Schools may reproduce this support document in part or in full for bona fide study or classroom purposes only.

Acknowledgement of the Board of Studies copyright must be included on any reproductions. Students may copy reasonable portions of the support document for the purpose of research or study. Any other use of this support document must be referred to the Copyright Officer, Board of Studies NSW. Ph: (02) 9367 8111; fax: (02) 9279 1482.

© Board of Studies NSW 1999

Published by  
Board of Studies NSW  
GPO Box 5300  
Sydney NSW 2001  
Australia

Tel: (02) 9367 8111

Internet: <http://www.boardofstudies.nsw.edu.au>

ISBN 0 7313 4351 4

99575

# Contents

1	Introduction.....	4
1.1	The Economics Syllabus.....	4
1.2	Effective Implementation of the Syllabus .....	4
2	Programming the Syllabus .....	6
2.1	A Program Overview .....	7
2.2	An Assessment Program .....	8
2.3	A Sample Teaching Program.....	10
3	Sample Economics Assessment Task (Preliminary Course).....	17

# 1 Introduction

This document is designed to supplement:

- the *Economics Stage 6 Syllabus*
- the *Examination, Assessment and Reporting Supplement in Economics*
- *An Introduction to Economics Stage 6 in the New HSC*.

Part A of this document provides support in relation to the Preliminary course. An additional section (Part B) of the support document will address the HSC course.

## 1.1 The Economics Syllabus

The Economics Syllabus:

- has an emphasis on outcomes. These are course outcomes, there are no topic outcomes. The outcomes listed in topics are course outcomes related to that topic;
- incorporates an approach where problems and issues are used to illustrate the relevance of the basic principles and methodology of economics. Students examine economic issues and apply economic skills in relation to each topic;
- lists the key issues as:
  - economic growth and quality of life
  - unemployment
  - inflation
  - external stability of an economy
  - distribution of income
  - suitable management of environment;
- requires students to investigate and analyse economic problems and issues in both contemporary and hypothetical situations;
- relates assessment directly to outcomes through internal assessment, components and weightings, examination questions and marking criteria, and the performance scale.

## 1.2 Effective Implementation of the Syllabus

The syllabus will be more effectively implemented if:

- students are explicitly taught how to describe, analyse, explain, assess, discuss and evaluate, and how to judge effectiveness in particular contexts;
- students learn the steps involved in the processes required to achieve the skills outcomes and are given opportunities to practise the skills and to reflect on their performance;
- students are given opportunities to develop an understanding:
  - that relevance of information is determined by the purpose for which they intend to use it
  - that reliability is affected by factors such as the source of information and the purposes for which it has been used
  - of how to apply the criteria of relevance and reliability to select and organise information in a variety of contexts for a variety of purposes;
- students are given opportunities to develop understanding of how to select the appropriate form of communication for a particular purpose, audience and situation;
- teaching and learning strategies address more than one outcome;
- analysis of economic information such as newspaper articles, published statistics, government reports and press releases is incorporated into the study of economics but does not shift the emphasis from teaching the content, concepts and principles in the syllabus;

- hypothetical situations are used for linking problems to possible policies;
- the process of globalisation is recognised as a major influence on the economic decisions of individuals, businesses and government;
- the investigation of economic problems and issues encourages students to consider the consequences of decisions that are made largely on the basis of self-interest;
- students are encouraged to relate their thinking about economic problems and issues to decision-making in their own lives.

## 2 Programming the Syllabus

The new *Economics Stage 6 Syllabus* outcomes express the specific intended results of the teaching of the syllabus. Outcomes link directly to the content of the syllabus; specifically, what students *learn to do* and what students *learn about*. Outcomes provide clear statements of the knowledge, understanding and skills expected to be achieved by students at the conclusion of Economics Stage 6.

Therefore, when programming the course, planning units of work and developing an assessment program, it is important to ensure that the *outcomes of the course are being comprehensively and appropriately addressed*.

The following pages provide an example of an approach that teachers might find useful when developing teaching and learning programs that address all syllabus outcomes. They consist of:

- A program overview
- An assessment program
- A sample teaching program on specific topics
- A sample assessment task.

**The program overview** provides a model of a matrix that allows teachers to see at a glance:

- the outcomes to be addressed in each topic (✓)
- how each outcome will be developed through the course.

The program overview also indicates which outcomes the non-examination assessment tasks will assess. This facilitates consideration of:

- which outcomes will be assessed in each task
- in which topics these outcomes will be assessed.

Once both these decisions are made, the overview can be updated and used as a checklist that all outcomes will be assessed.

*The program overview notes:*

- all outcomes mandated in a unit need to be addressed but the degree to which each outcome is addressed will vary in each topic. This is because:
  - different aspects of knowledge and understanding outcomes are developed across the course
  - some knowledge and understanding outcomes are more central to a topic than others.

**The assessment program** provides a model of an assessment program for the Preliminary course. It indicates how:

- the suggested components, weightings and tasks for the Preliminary course might be implemented
- all outcomes can be assessed during the course
- assessment tasks address all topics.

## 2.1 A Program Overview

UNIT	KNOWLEDGE/UNDERSTANDING OUTCOMES							SKILLS OUTCOMES				
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P10	P11	P12
<b>Preliminary Topic 1</b> Introduction to Economics 12 hours Weeks 1–3	✓	✓		✓	✓		✓		✓	✓		✓
<b>Preliminary Topic 2</b> Consumers and Business 12 hours Weeks 4–6	✓	✓					✓	✓	✓	✓		✓
<b>Preliminary Topic 3</b> Markets 24 hours Weeks 7–12	✓	✓	✓ Assessment Task 1		✓			✓ Assessment Task 1		✓	✓ Assessment Task 1	✓
<b>Preliminary Topic 4</b> Labour Markets 24 hours Weeks 13–18	✓	✓	✓ Assessment Task 2		✓	✓	✓	✓ Assessment Task 2	✓ Assessment Task 2	✓ Assessment Task 2	✓ Assessment Task 2	✓ Assessment Task 2
<b>Preliminary Topic 5</b> Financial Markets 24 hours Weeks 19–24	✓	✓	✓		✓		✓	✓	✓	✓	✓	
<b>Preliminary Topic 6</b> Government in the Economy 24 hours Weeks 25–30	✓	✓ Assessment Task 4	✓		✓ Assessment Task 4	✓ Assessment Task 4	✓ Assessment Task 4	✓ Assessment Task 4	✓ Assessment Task 4	✓ Assessment Task 4	✓ Assessment Task 4	

✓ syllabus outcome in topic

## 2.2 An Assessment Program

	<b>Task 1</b>	<b>Task 2</b>	<b>Task 3</b>	<b>Task 4</b>	<b>Task 5</b>
<b>Approximate Date of Task</b>	End of Term 1	Week 2, Term 2	Week 8, Term 2	Week 3, Term 3	End of Course Examination
<b>Outcomes by Task Assessed</b>	P3, P8, P11	P3, P8, P9, P10, P12	P1, P3, P4, P8, P10, P11	P6, P8, P9, P10	P2, P3, P5 P6, P7, P8, P10, P11
<b>Topic Focus</b>	Preliminary Topic 3– Markets (Demand and Supply)	Preliminary Topic 4– Labour Markets (Demand and Supply of Labour)	Preliminary Topic 1– Introduction to Economics  Preliminary Topic 2– Consumers and Business  Preliminary Topic 3– Markets  Preliminary Topic 4– Labour Markets	Preliminary Topic 6– Government and the Economy	ALL TOPICS 1–6
<b>Syllabus Component and Weighting in Task</b>	Stimulus-based skills  20 %	Group Work: 10 %  Research, investigation and communication: 10 %	Tests and Examinations: (short answers and extended response)  10%	Research investigation and communication (individual research essay)  20%	Tests and Examinations: (multiple-choice, short answer, extended response)  30 %
<b>Weighting</b>	<b>20 %</b>	<b>20 %</b>	<b>10 %</b>	<b>20 %</b>	<b>30 %</b>

**The Sample Teaching Program** addresses the first two Preliminary topics:

- Introduction to Economics
- Consumers and Business.

It divides each topic into sub-topics. It provides an overview for each topic and a unit of work for each sub-topic.

#### *Overview*

Each overview:

- explains the sub-topics in the topic
- identifies the outcomes and content in the topic
- identifies(✓) the course outcomes addressed in each sub-topic
- identifies the course outcomes (✓✓) that receive a high priority in the teaching of the unit.

#### *Units of work*

The units of work for each sub-topic:

- identify the outcomes addressed in each sub-topic
- specifically link each of the issues and skills that students are learning to examine and apply to particular aspects of the content about which they are learning
- suggest teaching strategies that could be used to assist student learning on particular aspects of the content and contribute to the achievement of the course outcomes
- suggest when assessment activities could be undertaken.

### 2.3 A Sample Teaching Program

#### OVERVIEW OF INTRODUCTION TO ECONOMICS (12 HOURS)

The focus of this topic is the need for choice by individuals, businesses and governments. Their decisions determine the nature of the economy and create the diversity of economies found in the world.		Sub-topics		
Topic Focus and Explanation of Sub-topic Focus	OUTCOMES	The nature of economics	The operation of an economy	Economies: their similarities and differences
<p>The focus of this topic is the need for choice by individuals, businesses and governments. The decisions of these groups determine the nature of the economy and create the diversity of economies found in the world.</p> <p>The topic is divided into three sub-topics.</p> <p><b>Sub-topic 1, <i>The Nature of Economics</i></b>, focuses on the need for choice by individuals, businesses and governments. The role of opportunity costs is highlighted.</p> <p><b>Sub-topic 2, <i>The Operation of an Economy</i></b>, focuses on the nature of an economy in producing and distributing goods and services. The circular flow model is used to present the main aspects in a simplified way.</p> <p><b>Sub-topic 3, <i>Economies: Their Similarities and Differences</i></b>, focuses on the effect of economic decision-making in creating differences between economies, in particular, the Australian economy and at least one other economy.</p>	<p>✓ = outcome addressed                      ✓✓ = outcome the primary focus of sub-topic.</p>			
	<b>P1</b> demonstrates understanding of economic terms, concepts and relationships	✓	✓	✓
	<b>P2</b> explains the economic role of individuals, firms and government in the economy	✓✓	✓	✓
	<b>P4</b> compares and contrasts aspects of different economies			✓✓
	<b>P5</b> analyses the relationship between individuals, firms, institutions and government in the Australian economy			✓✓
	<b>P7</b> identifies the nature and causes of economic problems and issues for individuals, firms and governments	✓	✓	✓
	<b>P9</b> selects and organises information from a variety of sources for relevance, and reliability	✓		✓
	<b>P10</b> communicates economic information, issues and ideas in appropriate forms	✓	✓	✓
	<b>P12</b> works independently and in groups to achieve appropriate goals in set time lines	✓		✓
	<b>CONTENT</b> <b>Students learn to:</b> <b>Examine economic issues</b>			
	<ul style="list-style-type: none"> <li>identify the opportunity cost involved in economic decisions made by individuals, business and governments at local and state level</li> </ul>	✓		
	<ul style="list-style-type: none"> <li>examine the ways that the economic problem affects individuals at different income levels</li> </ul>	✓	✓	
<ul style="list-style-type: none"> <li>examine the implications of unemployment and technological change using production possibility frontiers</li> </ul>	✓			
<ul style="list-style-type: none"> <li>compare and contrast the ways that different economies deal with specific problems or issues</li> </ul>			✓	
<b>Apply economic skills</b>		✓		
<ul style="list-style-type: none"> <li>construct and interpret production possibility frontiers</li> </ul>				
<ul style="list-style-type: none"> <li>distinguish between equilibrium and disequilibrium situations in the circular flow of income model</li> </ul>		✓		
<ul style="list-style-type: none"> <li>explain how an economy might return to an equilibrium situation from a disequilibrium situation</li> </ul>		✓		
<ul style="list-style-type: none"> <li>identify bias in media items on economic issues affecting the local, state and national economies</li> </ul>	✓		✓	
<ul style="list-style-type: none"> <li>identify key features of an economy through analysis of a variety of information types and sources</li> </ul>		✓	✓	
<ul style="list-style-type: none"> <li>work effectively in groups to investigate aspects of economics and economies.</li> </ul>			✓	

**Introduction to Economics**

Preliminary Topic One, Sub-topic 1	The Nature of Economics	Time: 4 hours
The focus of this sub-topic is the need for choice by individuals, businesses and governments. The role of opportunity costs is highlighted.		
<b>Key Issues : economic growth and quality of life, unemployment, distribution of income, sustainable management of the environment</b>		
<p><b>Outcomes — Knowledge and Understanding</b> A student:</p> <p><b>P1</b> demonstrates understanding of economic terms, concepts and relationships</p> <p><b>P2</b> explains the economic role of individuals, firms and government in the economy</p> <p><b>P7</b> identifies the nature and causes of economic problems and issues for individuals, firms and governments</p>	<p><b>Assessment</b></p> <p>No formal assessment at this stage — to be assessed in the May and June examinations.</p>	<p><b>Outcomes — Skills</b> A student:</p> <p><b>P9</b> selects and organises information from a variety of sources for relevance, and reliability</p> <p><b>P10</b> communicates economic information, issues and ideas in appropriate forms</p> <p><b>P12</b> works independently and in groups to achieve appropriate goals in set time lines</p>
<p><b>Students learn about:</b> <b>The Nature of Economics</b></p> <ul style="list-style-type: none"> <li>the economic problem: wants, resources, scarcity</li> <li>the need for choice by individuals and society</li> <li>opportunity cost and its application through production possibility frontiers</li> <li>economic factors underlying decision-making by:                             <ul style="list-style-type: none"> <li>individuals – spending, saving, work, education, retirement, voting and participation in the political process</li> <li>business – pricing, production, resource use, industrial relations</li> <li>governments – influencing the decisions of individuals and business</li> </ul> </li> <li>future implications of current choices by individuals, businesses and governments</li> </ul>	<p><b>Strategies:</b> Teacher develops a mindmap from whole-class discussions summarising the economic problem, scarcity and choice and highlighting how the economic problem affects nations as well as individuals and how individuals on different income levels are affected. <b>(P1, P7)</b> Students work in pairs to:</p> <ul style="list-style-type: none"> <li>identify the opportunity cost of a particular solution to an economic problem that affects society</li> <li>use production possibility frontiers to illustrate the opportunity costs involved in a range of problems including unemployment, technological change and other key issues.</li> </ul> <p><b>(P1, P10, P12)</b> Teacher-led discussion on the processes involved in selecting and organising information for relevance and reliability. Students work in groups to:</p> <ul style="list-style-type: none"> <li>select newspaper articles or other sources that reflect decision-making in relation to individuals OR businesses OR governments</li> <li>identify current problems in relation to making decisions and the opportunity costs</li> <li>identify the future implications of choices that could be made in relation to the issue</li> <li>identify bias in reporting</li> <li>report their findings to the class.</li> </ul> <p>Teacher recaps issues that arose in relation to selecting and organising information and the appropriateness of decisions students made in the task <b>(P1, P7, P9, P10, P12)</b></p>	<p><b>Students learn to:</b></p> <ul style="list-style-type: none"> <li>examine the ways that the economic problem affects individuals at different income levels</li> <li>construct and interpret production possibility frontiers</li> <li>examine the implications of unemployment and technological change using production possibility frontiers</li> <li>identify the opportunity costs involved in economic decisions made by individuals, businesses and governments at local, state and national levels</li> <li>identify bias in media items on economic issues affecting the local, state and national economies</li> </ul>

**Introduction to Economics (continued)**

Preliminary Topic One, Sub-topic 2	The Operation of an Economy	Time: 4 hours
<p>The focus of this sub-topic is the nature of an economy in producing and distributing goods and services. The circular flow model is used to present the main aspects in a simplified way.</p>		
<p><b>Key Issues : unemployment, distribution of income</b></p>		
<p><b>Outcomes – Knowledge and Understanding</b>                      A student:  <b>P1</b> demonstrates understanding of economic terms, concepts and relationships  <b>P2</b> explains the economic role of individuals, firms and government in the economy  <b>P5</b> analyses the relationship between individuals, firms, institutions and government in the Australian economy  <b>P7</b> identifies the nature and causes of economic problems and issues for individuals, firms and governments</p>	<p><b>Assessment</b>                       No formal assessment at this stage – to be assessed in May and Final Examinations.</p>	<p><b>Outcomes — Skills</b>                      A student:  <b>P9</b> selects and organises information from a variety of sources for relevance, and reliability  <b>P10</b> communicates economic information, issues and ideas in appropriate forms  <b>P12</b> works independently and in groups to achieve appropriate goals in set timelines</p>
<p><b>Students learn about:</b>                      The Operation of an Economy</p> <ul style="list-style-type: none"> <li>• production of goods and services from resources – natural, labour, capital and entrepreneurial resources</li> <li>• exchange of goods</li>   <li>• provision of income</li> <li>• distribution of goods and services</li> </ul> <p><b>Students learn about:</b>                      The Operation of an Economy</p> <ul style="list-style-type: none"> <li>• the circular flow of income                             <ul style="list-style-type: none"> <li>– individuals, businesses, financial institutions, governments, international trade and financial flows</li> </ul> </li> <li>• provision of employment and quality of life through the business cycle</li> </ul>	<p><b>Strategies</b>                      Students:</p> <ul style="list-style-type: none"> <li>• develop flow charts to illustrate the stages and components of production and final consumption of a product that they consume, eg bread</li> <li>• add labels to the flow chart to identify key terms such as raw materials, capital, exchange</li> <li>• compare flow charts and identify similarities (eg the role of transportation) and differences (labour inputs versus technology inputs).</li> </ul> <p><b>(P1, P5, P7, P9, P10)</b>                      Students access ABS income data (Internet or hard copy of reports) that measures income differentials for different communities, different occupations, male-female, income-age correlations, changes over time. Students are asked to:</p> <ul style="list-style-type: none"> <li>• analyse a particular set of data and identify reasons for differences</li> <li>• use graphs, charts or models to support analysis</li> <li>• list factors influencing income levels</li> <li>• construct a table explaining how each factor reflects choice and decision-making and how it will impact on the consumption and saving decisions made by the individual</li> <li>• relate the provision of income to the distribution of goods and services within the economy.</li> </ul> <p><b>(P1, P7, P9, P10)</b>                      Students to bring in newspapers (or access newspapers online) to collect a number of job advertisements from the paper.</p> <ul style="list-style-type: none"> <li>• The job ads are selected to reflect sectors of the circular flow, eg government jobs, finance sector jobs, retail, manufacturing, export firm ads, research etc.</li> <li>• Students work in groups to arrange clusters of ads in a model (pasted on butcher’s paper, or on computer) that reflects the relationships between them.</li> <li>• The models represent the circular flow and the ad clusters represent the sectors. The concept of disequilibrium can be introduced through examining changes to the relationships between the sectors, eg government sector borrows more funds from financial institutions.</li> <li>• Consolidation through a worksheet using equilibrium and disequilibrium situations.</li> <li>• Class discussion/debate focusing on the responsibility of individuals and government in the provision of employment and protection of quality of life at all times.</li> </ul> <p><b>(P1, P2, P5, P9, P12)</b></p>	<p><b>Students learn to:</b></p> <ul style="list-style-type: none"> <li>• identify key features of an economy through analysis of a variety of information types and sources</li>   <li>• examine the ways that the economic problem affects individuals at different income levels</li>   <li>• distinguish between equilibrium and disequilibrium situations in the circular flow of income model</li> <li>• explain how an economy might return to an equilibrium situation from a disequilibrium situation</li> </ul>

**Introduction to Economics (continued)**

Preliminary Topic One, Sub-topic 3	Economies: Their Similarities and Differences	Time: 4 hours
The focus of this sub-topic is on the effect of economic decision-making in creating differences between economies, in particular between the Australian economy and at least one other economy.		
<b>Key Issues: economic growth and quality of life, inflation, unemployment, distribution of income, sustainable management of the environment</b>		
<p><b>Outcomes – Knowledge and Understanding</b> A student:</p> <p><b>P1</b> demonstrates understanding of economic terms, concepts and relationships</p> <p><b>P2</b> explains the economic role of individuals, firms and government in the economy</p> <p><b>P4</b> compares and contrasts aspects of different economies</p> <p><b>P5</b> analyses the relationship between individuals, firms, institutions and government in the Australian economy</p> <p><b>P7</b> identifies the nature and causes of economic problems and issues for individuals, firms and governments</p>	<p><b>Assessment</b></p> <p>Formative assessment: compare and contrast essay.</p>	<p><b>Outcomes — Skills</b> A student:</p> <p><b>P9</b> selects and organises information from a variety of sources for relevance, and reliability</p> <p><b>P10</b> communicates economic information, issues and ideas in appropriate forms</p> <p><b>P12</b> works independently and in groups to achieve appropriate goals in set time lines</p>
<p><b>Students learn about:</b> Economies: their Similarities and Differences</p> <ul style="list-style-type: none"> <li>• examine similarities and differences between Australia and at least one other economy in relation to: <ul style="list-style-type: none"> <li>– quality of life</li> <li>– economic growth</li> <li>– employment and unemployment</li> <li>– the role of government in healthcare, education and welfare payments</li> <li>– environmental quality</li> </ul> </li> </ul>	<p><b>Strategies</b></p> <p>Students are given a research project to be done in pairs. Teacher specifies an economy other than Australia for each pair to research, or lets students choose from a list. The countries students choose should represent countries to highlight differences. Students investigate the features specified in the syllabus – quality of life etc. The product of this task should consist of three sections:</p> <ol style="list-style-type: none"> <li>I. students' own explanation of the meaning of each feature</li> <li>II. a summary table that identifies each feature, and how it is similar to or different from that feature in the Australian economy</li> <li>III. an explanation of the research process adopted, and an evaluation of the quality of the source materials used.</li> </ol> <p>Pairs summarise their findings in a 5-minute presentation to the class. The pair might also 'adopt' this economy as a target for further research, including the collection of newspaper articles during the term.</p> <p>Teacher recaps, compares and contrasts, and explains how such a text is written. Students submit a written response comparing and contrasting two economies. <b>(P1, P4, P9, P10, P12)</b></p>	<p><b>Students learn to:</b></p> <ul style="list-style-type: none"> <li>• compare and contrast the ways that different economies deal with specific problems or issues</li> <li>• work effectively in groups to investigate aspects of economics and economies</li> <li>• identify key features of an economy through analysis of a variety of information types and sources</li> <li>• identify bias in media items on economic issues affecting the local, state and national economies</li> </ul>

**OVERVIEW OF CONSUMERS AND BUSINESS (12 HOURS)**

The focus of this topic is an investigation of how consumers and businesses make decisions about the choices they face, recognising that, in a market economy, self-interest is a major motivating force.		Sub Topics	
Topic Focus and Explanation of Sub-topic Focus.	OUTCOMES ✓ = outcome addressed ✓✓ = outcome the primary focus in sub-topic	The Role of Consumers in the Economy	The Role of Business in the Economy
<p>This topic is divided into two sub-topics. <i>The Role of Consumers in the Economy</i> (sub-topic 1) is an investigation of how consumers make decisions about the choices they face, recognising that in a market economy they are motivated largely by self-interest.</p> <p>Sub-topic 2, <i>The Role of Business in the Economy</i>, is an investigation of how businesses make decisions about the choices they face, recognising that in a market economy they are motivated largely by self-interest.</p>	<b>P1</b> demonstrates understanding of economic terms, concepts and relationships	✓	✓
	<b>P2</b> explains the economic role of individuals, firms and government in the economy	✓✓	✓✓
	<b>P7</b> identifies the nature and causes of economic problems and issues for individuals, firms and governments	✓	✓
	<b>P8</b> applies appropriate terminology, concepts and theories in economic contexts	✓	✓
	<b>P9</b> selects and organises information from a variety of sources for relevance, and reliability	✓	✓
	<b>P10</b> communicates economic information, issues and ideas in appropriate forms	✓	✓
	<b>P12</b> works independently and in groups to achieve appropriate goals in set time lines		✓
	<b>CONTENT</b> <b>Students learn to:</b>		
	<b>Examine economic issues</b>		
	• examine the impact of income on the spending and saving decisions of individuals	✓	
	• analyse the impact of advertising on consumer decisions	✓	✓
	• assess the extent to which consumer sovereignty is achieved in a variety of markets	✓	
	• investigate the relative significance of the various sources of incomes in Australia	✓	
• examine the impact of investment and technological change on prices and employment		✓	
• work in groups to investigate the factors leading to change in a particular industry.		✓	
<b>Apply economic skills</b>			
• analyse the impact of changes in consumer income levels on the types of production within the economy	✓	✓	
• explain the role of firms in solving the economic problem.		✓	

**Consumers and Business**

Preliminary Topic Two, Sub-topic 1	The Role of Consumers in the Economy	Time: 5 hours
<p>The focus of this sub-topic is an investigation of how consumers make decisions about the choices they face, recognising that in a market economy they are motivated largely by self interest.</p>		
<p><b>Key Issues:</b> unemployment, distribution of income</p>		
<p><b>Outcomes – Knowledge and Understanding</b>                      A student:  <b>P1</b> demonstrates understanding of economic terms, concepts and relationships  <b>P2</b> explains the economic role of individuals, firms and government in the economy  <b>P7</b> identifies the nature and causes of economic problems and issues for individuals, firms and governments</p>	<p><b>Assessment</b>                       No formal assessment at this stage – to be assessed in the May and June examinations.</p>	<p><b>Outcomes: Skills</b>                      A student:  <b>P8</b> applies appropriate terminology, concepts and theories in economic contexts  <b>P9</b> selects and organises information from a variety of sources for relevance, and reliability  <b>P10</b> communicates economic information, issues and ideas in appropriate forms</p>
<p><b>Students learn about:</b>  <b>Consumer sovereignty</b>                      Patterns of consumer spending and saving/dissaving:  <ul style="list-style-type: none"> <li>• Variations with income and age                             <ul style="list-style-type: none"> <li>– individual consumers either spend or save their income</li> <li>– in the economy as a whole, as income rises the level of saving increases</li> </ul> </li> </ul> <b>Factors influencing individual consumer choice</b> <ul style="list-style-type: none"> <li>• income</li> <li>• price</li> <li>• price of substitutes</li> <li>• price of complements</li> <li>• preferences/tastes</li> <li>• advertising</li> </ul>                       Sources of Income                     <ul style="list-style-type: none"> <li>• the return for resources: wages, rent, interest and profits</li> <li>• social welfare</li> </ul> </p>	<p><b>Strategies</b>                      Students given tables of hypothetical data constructed by teacher. They work in groups to:</p> <ul style="list-style-type: none"> <li>• construct graphs to illustrate the relationship</li> <li>• analyse the differences</li> <li>• present their findings</li> </ul> <p>Teacher revises key issues and approaches in relation to surveys.                      Students:</p> <ul style="list-style-type: none"> <li>• design and conduct a survey to investigate factors influencing consumer choice;</li> <li>• conducts the survey for two goods or services – one of a necessity, the other a luxury item.</li> <li>• prepare a summary report on the survey findings identifying the factors (including advertising) and establishing the relative importance of each.</li> </ul> <p>A case study of the advertising industry could be integrated into this section, using a person involved in market research as a guest speaker.                      Students might also debate the proposition that primary school children should be paid for their involvement in market research on potato chips.  <b>(P1, P7, P8, P9, P10)</b></p> <ul style="list-style-type: none"> <li>• ABS figures on income sources in Australia are presented to students. Discussion and short-answer exercises should focus not only on what the data shows, but on the collection methodology and reliability of the data.</li> <li>• Students use the data in creative ways to highlight how data use can be misleading — summarised through class discussion.</li> <li>• Students can then develop hypothetical data on income sources for a hypothetical economy and analyse and suggest reasons for differences. The impact of these differences on operation of the hypothetical economy could be explored.</li> </ul> <b>(P1, P2, P8, P9, P10)</b>	<p><b>Students learn to:</b></p> <ul style="list-style-type: none"> <li>• examine the impact of income on the spending and saving decisions of individuals</li> <li>• analyse the impact of advertising on consumer decisions</li> <li>• assess the extent to which consumer sovereignty is achieved in a variety of markets</li> <li>• analyse the impact of changes in consumer income levels on the types of production within the economy</li> <li>• investigate the relative significance of the various sources of incomes in Australia</li> </ul>

**Consumers and Business**

Preliminary Topic Two, Sub-topic 2	The Role of Business in the Economy	Time: 7 hours
The focus of this sub-topic is an investigation of how businesses make decisions about the choices they face, recognising that in a market economy they are motivated largely by self interest.		
<b>Key Issues</b> : economic growth and quality of life, inflation, distribution of income, sustainable management of the environment		
<p><b>Outcomes – Knowledge and Understanding</b>  <b>A student:</b>  <b>P1</b> demonstrates understanding of economic terms, concepts and relationships  <b>P2</b> explains the economic role of individuals, firms and government in the economy  <b>P7</b> identifies the nature and causes of economic problems and issues for individuals, firms and governments</p>	<p><b>Assessment</b>                       No formal assessment at this stage – to be assessed in the May and June examinations.</p>	<p><b>Outcomes: Skills</b>                      A student:  <b>P8</b> applies appropriate terminology, concepts and theories in economic contexts  <b>P9</b> selects and organises information from a variety of sources for relevance, and reliability  <b>P10</b> communicates economic information, issues and ideas in appropriate forms  <b>P12</b> works independently and in groups to achieve appropriate goals in set timelines.</p>
<p><b>Students learn about:</b>  <i>The definition of a firm and an industry</i>                      A firm’s production decisions  <ul style="list-style-type: none"> <li>• what to produce</li> <li>• what quantities to produce</li> <li>• how to produce</li> </ul> <b>Business as a source of economic growth and increased productive capacity</b>                      Goals of the firm  <ul style="list-style-type: none"> <li>• maximising profits</li> <li>• maximising growth</li> <li>• increasing market share</li> <li>• meeting shareholder expectations</li> <li>• satisficing</li> </ul> <i>Efficiency and the production process</i>  <ul style="list-style-type: none"> <li>• productivity</li> <li>• internal and external economies of scale</li> <li>• diseconomies of scale</li> </ul> <b>Impact of investment and technological change on a firm through:</b>  <ul style="list-style-type: none"> <li>• production methods</li> <li>• prices</li> <li>• employment</li> <li>• output</li> <li>• profits</li> <li>• type of products</li> <li>• globalisation</li> </ul> </p>	<p><b>Strategies</b>                      Students:  <ul style="list-style-type: none"> <li>• select newspaper articles or other sources that contain information about firms’ making production decisions</li> <li>• identify the factors influencing decisions, and how these factors might influence different firms in another way and suggest other influences</li> <li>• students summarise the role of the firm in solving the economic problem.</li> </ul> <b>(P1, P2, P7, P10)</b>                      In a simulation, groups of students are given sets of data on quantities and prices of inputs, trend data on consumption patterns, competitors’ prices, production and profit targets and other relevant information for a hypothetical firm. Students are asked to make decisions regarding their pricing, output, advertising, and to justify their decisions. (Best executed through the class forming a company to produce a product for sale, eg at school fair. )  <b>(P1, P7, P8, P10, P12)</b>                       Students use a local business or a text example of business activity to:  <ul style="list-style-type: none"> <li>• identify economies of scale</li> <li>• determine whether the economies are internal or external</li> <li>• identify potential and real diseconomies for the business.</li> </ul> <b>(P1, P2, P8)</b>                       Students:  <ul style="list-style-type: none"> <li>• investigate case study material on three or four different firms, each with different profiles regarding application of new technologies and links with global markets</li> <li>• write a report or complete a worksheet on each case, focusing on factors influencing decisions, made by these businesses, and the problems and issues for the businesses that result from technological change</li> </ul>                     Alternatively, each student might investigate one firm, using an internet search.  <b>(P1, P7, P8, P9, P10)</b> </p>	<p><b>Students learn to:</b>  <ul style="list-style-type: none"> <li>• explain the role of firms in solving the economic problem</li> <li>• analyse the impact of advertising on consumer decisions</li> <li>• analyse the impact of changes in consumer income levels on the type of production within the economy</li> <li>• analyse the impact of advertising on consumer decisions</li> </ul>   <ul style="list-style-type: none"> <li>• explain the role of firms in solving the economic problem</li> </ul>   <ul style="list-style-type: none"> <li>• examine the impact of investment and technological change on price employment</li> <li>• work in groups to investigate the factors leading to change in an industry</li> </ul> </p>

### 3 Sample Economics Assessment Task (Preliminary Course)

#### Outcomes to be Assessed

- Outcome P6 Explains the role of government in the Australian economy.
- Outcome P8 Applies appropriate terminology, concepts and theories in economic contexts.
- Outcome P9 Selects and organises information from a variety of sources for relevance and reliability.
- Outcome P10 Communicates economic information, ideas and issues in appropriate forms.

#### Course components and weightings selected

<i>Component</i>	<i>Weighting</i>
Research, investigation and communication	20

#### Sample Assessment Task

##### Part A (4 marks)

- Select four relevant newspaper articles that identify the current role of the Australian Government in influencing the operation of the market in relation to the quality of life, distribution of income and/or management of the environment in Australia.
- Submit the four newspaper articles and briefly outline your reasons for selecting them.

*You will be assessed on your ability to:*

Select four appropriate articles and communicate their relevance to the task.

*NOTE: Students would be required to submit Part A on a date that enabled teacher feedback on their selection before they commenced Part B.*

##### Part B (16 marks)

Write a research essay (700 words) in answer to the following question:

- *Explain the current role of the Australian Government in influencing the operation of the market in relation to:*
  - *the quality of life of individuals, including provision of goods and services*
  - *the distribution of income*
  - *the management of the environment.*

*You will be assessed on your ability to:*

- write a well-structured response in answer to the question using appropriate economic terms, concepts and theories
- support your answer with integrated reference to a variety of relevant sources including the four newspaper articles.

**Marking Scheme Developed**

<b>Guidelines</b>	<b>Marks</b>
<ul style="list-style-type: none"> <li>&gt; Presents a sustained, well-structured explanation of the current role of the Australian Government in influencing the operation of the market in relation to the quality of life, distribution of income and management of the environment</li> <li>&gt; Integrates economic terms, concepts and theories appropriate to the question</li> <li>&gt; Supports explanation with integrated, detailed reference to a range of relevant sources including four newspaper articles</li> </ul>	13–16
<ul style="list-style-type: none"> <li>&gt; Presents a well-structured explanation of the role of the Australian Government in influencing the operation of the market in relation to the quality of life, distribution of income and management of the environment</li> <li>&gt; Applies appropriate economic terms and concepts and makes some reference to economic theories appropriate to the question</li> <li>&gt; Supports explanation with reference to a number of relevant sources including four newspaper articles</li> </ul>	9–12
<ul style="list-style-type: none"> <li>&gt; Presents a description of the role of the Australian Government in influencing the operation of the market in relation to the quality of life and/or distribution of income and/or management of the environment</li> <li>&gt; Uses some simple economic terms appropriately</li> <li>&gt; Provides some relevant details from sources</li> </ul>	5–8
<ul style="list-style-type: none"> <li>&gt; Provides a limited description of the Australian Government in influencing the operation of the market with basic reference to the quality of life or distribution of income or management of the environment</li> <li>&gt; Little use of economic terms or they are mainly used in an inappropriate way that demonstrates significant misunderstanding</li> <li>&gt; Provides few relevant details from sources</li> </ul>	1–4