



Government of **Western Australia**
School Curriculum and Standards Authority

ECONOMICS

ATAR COURSE

Year 11 syllabus

Acknowledgement of Country

Kaya. The School Curriculum and Standards Authority (the Authority) acknowledges that our offices are on Whadjuk Noongar boodjar and that we deliver our services on the country of many traditional custodians and language groups throughout Western Australia. The Authority acknowledges the traditional custodians throughout Western Australia and their continuing connection to land, waters and community. We offer our respect to Elders past and present.

IMPORTANT INFORMATION

This syllabus is effective from 1 January 2023.

Users of this syllabus are responsible for checking its currency.

Syllabuses are formally reviewed by the School Curriculum and Standards Authority on a cyclical basis, typically every five years.

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Rationale

Economics investigates the choices which all people, groups and societies face as they attempt to resolve the ongoing problem of satisfying their unlimited wants with limited resources. Economics aims to understand and analyse the allocation, utilisation and distribution of scarce resources that determine our wealth and wellbeing. Economics develops the knowledge, reasoning and interpretation skills that form an important component of understanding individual, business and government behaviour at the local, national and global levels.

The Economics ATAR course encompasses the key features which characterise an economist's approach to a recent economic event or issue: to simplify the essence of a problem; to collect economic information and data to assist analysis and reasoning; and to draw inferences, which assist decision-making, the development of public policy and improvement in economic wellbeing.

The Economics ATAR course develops reasoning, logical thinking and interpretation skills demanded by the world of work, business and government. These skills relate to a variety of qualifications in vocational, technical and university education contexts. The learning experiences available through studying this course explore the knowledge, values and opinions, which surround the complex range of economic events and issues facing our society, including market efficiency, market failure, gains from trade, the business cycle and economic policy.

Economic literacy developed through this course enables students to actively participate in economic and financial decision-making, which promotes individual and societal wealth and wellbeing.

Aims

The Economics ATAR course aims to develop students’:

- understanding of economic ideas and information at local, national and global levels across a variety of contexts
- skills in analysis of economic issues and events, and the forces that influence the operation of the economy
- understanding of the trade-offs and effects of economic decisions made at the local, national and global levels
- understanding of economic decision-making and its role in creating a productive, efficient and equitable economy
- understanding of why economic policies and actions are required to manage the economy
- understanding of the policy options used to address domestic and international economic problems and issues
- skills in economic inquiry as they apply them to recent economic issues and events
- application of economic concepts and models to interpret economic data and information, such as patterns, similarities, differences and trends
- skills in using economic terminology to convey meaning to economic decision makers.

Organisation

This course is organised into a Year 11 syllabus and a Year 12 syllabus. The cognitive complexity of the syllabus content increases from Year 11 to Year 12.

Structure of the syllabus

The Year 11 syllabus is divided into two units, each of one semester duration, which are typically delivered as a pair. The notional time for each unit is 55 class contact hours.

Unit 1 – Microeconomics

This unit introduces microeconomics and explores the role of the market in determining the wellbeing of individuals and society. Students explore the workings of real-world markets with an emphasis on the Australian economy.

Unit 2 – Macroeconomics

This unit introduces macroeconomics and explores economic growth, inflation and unemployment with an emphasis on the Australian economy. Students learn it is important to measure and monitor changes in these macroeconomic indicators as changes in the level of economic activity affect the wellbeing of individuals and society.

Each unit includes:

- a unit description – a short description of the focus of the unit
- unit content – the content to be taught and learned.

Organisation of content

The Economics ATAR course develops student learning through two content areas:

- Economic knowledge and understanding
- Economic skills.

Progression from the Year 7–10 curriculum

This syllabus continues to develop student understanding and skills from the Year 7–10 Humanities and Social Sciences learning area Economics and Business curriculum.

The Economics ATAR course focuses on Australia's economy and explores Australia's links with other economies. The course examines both microeconomic and macroeconomic concepts, and contemporary issues and events, and continues to develop the skills of economic reasoning and interpretation with a greater focus on the cause and effect relationship and analysis.

Representation of the general capabilities

The general capabilities encompass the knowledge, skills, behaviours and dispositions that will assist students to live and work successfully in the twenty-first century. Teachers may find opportunities to incorporate the capabilities into the teaching and learning program for the Economics ATAR course. The general capabilities are not assessed unless they are identified within the specified unit content.

Literacy

Students develop literacy capability as they research, read, interpret and analyse sources of information and data on the Australian economy. They use accurate and appropriate terminology to explain economic concepts, interpret and analyse economic information, construct reasoned arguments to form evidence-based conclusions and communicate economic information using a range of formats. Through these actions, students become competent and confident authors of economic information.

Numeracy

Students develop and apply numeracy knowledge and skills to analyse data and explain economic activity using a range of graphs and tables. They use models to illustrate economic relationships, including the effect of changes in a variable. Students draw conclusions and make predictions and forecasts, and apply this knowledge and these skills to real and/or hypothetical experiences.

Information and communication technology capability

Students develop information and communication technology (ICT) capability as they learn to use it effectively and appropriately to access, create and communicate information and ideas. Students develop the knowledge and skills to use digital technologies to locate and access economic information, to extract, interpret and analyse economic information, work collaboratively, and present findings. Students also investigate the impact of technological innovation on microeconomic and macroeconomic performance.

Critical and creative thinking

Students develop capability in critical and creative thinking as they learn to generate and evaluate knowledge, clarify concepts and ideas, seek possibilities, consider alternatives and solve problems by making economic decisions. They consider the cause and effect of these decisions and analyse their intended and unintended consequences.

Personal and social capability

Students develop personal and social capability as they learn to understand themselves and others, and manage their relationships, lives, work and learning more effectively. Students are encouraged to develop an understanding that economic reasoning can offer insight into many of the issues that society must deal with by considering how the needs of consumers, producers, government and society are affected by economic markets. Students predict how the decisions they make today can affect their future quality of life. They collaborate with others to collect and interpret data, they share and discuss ideas about problems, progress and innovative solutions, and listen to and respect the perspectives of others. Through these actions, students appreciate how economics influences their daily lives.

Ethical understanding

Students develop ethical understanding by developing an appreciation that market outcomes may conflict with social and ethical outcomes. Through economic inquiry, students acknowledge and reference the ideas of others. By studying this course, students develop responsible attitudes towards using limited resources in a productive, ethical and sustainable way, and explore their own rights and responsibilities as participants in the economy.

Intercultural understanding

Students develop intercultural understanding as they explore economic issues in local, national, and global contexts to expand their knowledge of diverse individuals, groups, and societies. Students respect and engage with different cultural views and customs, and consider different perspectives to enhance their own knowledge, understanding, and perspective. They investigate the effects of decisions made by sectors of the Australian economy, and by economies overseas, to highlight the interconnections between countries and cultures.

Representation of the cross-curriculum priorities

The cross-curriculum priorities address the contemporary issues which students face in a globalised world. Teachers may find opportunities to incorporate the priorities into the teaching and learning program for the Economics ATAR course. The cross-curriculum priorities are not assessed unless they are identified within the specified unit content.

Aboriginal and Torres Strait Islander histories and cultures

Through the Economics ATAR course, students are provided with opportunities to learn about economic issues and events that influence Aboriginal and Torres Strait Islander Peoples. This priority can be addressed as students develop capabilities that enable them to independently construct informed responses to the range of economic issues involving Aboriginal and Torres Strait Islander Peoples. Students investigate how Aboriginal and Torres Strait Islander Peoples may be influenced by economic events, issues and policies. They analyse the impact of wealth and inequality on economic and social systems, and consider the ways and means of promoting economic and human development for Aboriginal and Torres Strait Islander Peoples.

Asia and Australia's engagement with Asia

Through the Economics ATAR course, students are provided with opportunities to explore the role that Australia plays in economic developments in the Asia region and the contribution of Asian economies to economic activity in Australia. This priority can be addressed through students studying the trade relationship between Australia and Asia, Australia's trade intensity with Asia and the interdependence that exists between Australia and Asian economies through investment, tourism and immigration.

Sustainability

Through the Economics ATAR course, students are provided with opportunities to learn about the interdependence of economic, social and ecological systems. This priority can be addressed through students assessing the impact of intended and unintended effects on individual markets and the broader economy, and evaluating the policy options available to make decisions to mitigate against these unintended

effects. Students have the opportunity to explore the need for balancing economic development, environmental sustainability, and society's obligations to meet the needs and wants of the present generation without compromising future needs.

Unit 1 – Microeconomics

Unit description

Microeconomics is the study of particular markets, and segments of the economy. This unit explores the theory that markets are an efficient way to allocate scarce resources, using real-world markets with an emphasis on the Australian economy. When the forces of demand and supply do not allocate and price resources in a way that society would regard as efficient, equitable or sustainable, market failure can occur. Students examine examples of market failure along with a range of government policy options that can be applied to achieve more desirable outcomes. Students are also introduced to the language of economics and the use of theories and models to explain and interpret economic events and issues.

Unit content

This unit includes the knowledge, understandings and skills described below.

Economic knowledge and understanding

Introduction to economics

- the concepts of economics and the distinction between microeconomics and macroeconomics
- the concepts of opportunity cost and the economic problem
- the economic decision-making process
- the importance of economic models
- the Production Possibility Frontier (PPF) model
- the characteristics of a market economy

Demand

- the law of demand
- the relationship between individual and market demand schedules and curves
- the effect of changes in price on quantity demanded, i.e. movement along the curve
- non-price factors affecting demand
 - income, i.e. effect on normal and inferior goods
 - population
 - tastes and preferences
 - prices of substitutes and complements
 - expected future prices
- the effect of changes in non-price factors on demand, i.e. increase or decrease in demand

Supply

- the law of supply
- the relationship between individual and market supply schedules and curves
- the effect of changes in price on quantity supplied, i.e. movement along the curve
- non-price factors affecting supply
 - costs of production
 - expected future prices
 - number of suppliers
 - technology
 - events affecting the availability of resources and the supply chain
- the effect of changes in non-price factors on supply, i.e. increase or decrease in supply

Market equilibrium

- the concept of market equilibrium
- the concepts of market clearing, shortages and surpluses
- the effect of changes in demand and/or supply on market equilibrium, including simultaneous shifts of demand and supply

Elasticity

- the concept, and measurement, of price elasticity of demand
- determinants of price elasticity of demand
- the distinction between goods that are price elastic and price inelastic in demand
- the link between price elasticity of demand and total revenue
- the concept of price elasticity of supply
- the distinction between goods that are price elastic and price inelastic in supply
- determinants of price elasticity of supply
- the application of price elasticity of demand and supply to markets
- the importance of price elasticity of demand and supply for business and government, including the incidence of a tax and price discrimination

Market efficiency

- the concept of market efficiency in a perfectly competitive market
- the concepts of consumer surplus, producer surplus, total surplus, deadweight loss
- the efficiency of market equilibrium, i.e. maximising total surplus
- how under- and overproduction in a market can result in a deadweight loss
- the effects of a tax and a subsidy on a market

- the effects of a price ceiling and a price floor on a market

Market failure

- the concept of market failure

Market power

- the characteristics of an imperfectly competitive market
- the concept and causes of market power
- how market power can influence market efficiency, i.e. a deadweight loss
- policy options to influence market power, including regulation/deregulation and legislation

Externalities

- the concept of externalities, i.e. positive and negative externalities
- the influence of externalities on market efficiency, i.e. a deadweight loss
- policy options to correct for externalities, including the use of taxes and subsidies

Public goods and common resources

- the classification of goods, i.e. based on rivalry and excludability
- public goods and the free rider effect
- common resources and the tragedy of the commons
- policy options to reduce market failure associated with public goods and common resources

Economic skills

- select and use appropriate terminology
- apply mathematical techniques relevant to markets, including calculating:
 - opportunity cost
 - marginal benefits and marginal costs
 - price elasticity of demand, i.e. total revenue, coefficient method
 - price elasticity of supply
 - consumer surplus, producer surplus, deadweight loss
- use economic models to analyse and convey economic theory related to markets, including:
 - the Production Possibility Frontier
 - demand and supply graphs to analyse market behaviour and performance
- use economic information and data to:
 - identify trends and relationships in markets
 - analyse microeconomic issues and events
 - predict market behaviour

- link economic theory to contemporary microeconomic events and issues
- justify a conclusion
- use a clear structure when communicating economic understandings, including:
 - using a relevant and accurate diagram/model
 - making reference to a diagram/model/data to support a written response
 - applying problem-solving, critical thinking and decision-making strategies to predict a market outcome
 - recommending a range of action/policies to achieve market efficiency.

Unit 2 – Macroeconomics

Unit description

Macroeconomics is the study of the whole economy. This unit focuses on Australia's macroeconomic performance using the circular flow of income model. The business cycle results in changes in the levels of output, income, spending and employment in the economy, which, in turn, have implications for economic growth, inflation and unemployment. Students also examine the role of the government in the macroeconomy.

Unit content

This unit includes the knowledge, understandings and skills described below.

Economic knowledge and understanding

Introduction to macroeconomics

- the concept of macroeconomics
- the concepts of total spending, total output and total income and the relationship between them
- the concept of the five sector circular flow of income
- the concepts of equilibrium, leakages and injections in the circular flow of income
- the effect of changes in leakages and injections on the level of equilibrium in the circular flow of income model
- the concept of Gross Domestic Product (GDP)
- the expenditure approach to measuring GDP, i.e. $GDP = C+I+G+(X-M)$

Economic growth

- the concept and measurement of economic growth
- the distinction between nominal Gross Domestic Product (GDP), real GDP, and real GDP per capita
- GDP as a measure of economic welfare
- the demonstration of economic growth using the Production Possibility Frontier (PPF) and Aggregate Production Function (APF)
- the determinants of economic growth
- the costs and benefits of economic growth
- the trends in economic growth in Australia over the last five years

Inflation

- the concept, and measurement, of inflation
- the distinction between headline and underlying inflation
- the causes and types of inflation, including demand pull and cost push

- the effects of inflation
- the impact of events on the trends in inflation in Australia over the last five years

Unemployment

- the concepts of unemployment, full employment, the non-accelerating inflation rate of unemployment (NAIRU), the participation rate, underemployment
- the measurement of unemployment
- the causes and types of unemployment, including cyclical, structural and frictional
- the effects of unemployment, including the GDP Gap
- the relationship between unemployment and inflation, i.e. the Phillips Curve
- the impact of events on the trends in unemployment in Australia over the last five years

The business cycle

- the concept of the business cycle
- the characteristics of each phase of the business cycle
- indicators of macroeconomic activity
- the impact of events on the business cycle in Australia over the last five years

Income distribution

- the concepts of income and wealth
- the measurement of the income and wealth distribution, i.e. the Lorenz Curve and the Gini coefficient

Government in the macroeconomy

- the size and composition of Commonwealth government revenue and spending in Australia
- the distinction between direct/indirect taxation, progressive/regressive/proportional taxation, and taxes on income/expenditure
- types of Commonwealth taxes, including personal and income tax, goods and services tax, company tax and excise duty
- the macroeconomic objectives of the Australian Government, including sustainable economic growth, price stability, full employment and a more equitable distribution of income

Economic skills

- select and use appropriate terminology
- apply mathematical techniques relevant to macroeconomics, including:
 - calculations relating to the circular flow of income
 - calculating the inflation rate using the Consumer Price Index (CPI)
 - calculating the unemployment rate and the participation rate from labour force data
 - calculating and interpreting rates of change in Gross Domestic Product (GDP)

- interpreting Lorenz Curves
- calculating marginal and average rates of taxation
- use economic models to analyse and convey economic theory and reasoning related to macroeconomic events and issues, including:
 - the five sector circular flow model
 - the Aggregate Production Function (APF)
 - the business cycle
 - the production possibility frontier
 - the Lorenz Curve and the Phillips Curve
- select and/or use economic information and data to:
 - identify trends and relationships in the macroeconomy
 - analyse macroeconomic issues and events
 - predict movements in macroeconomic trends using indicators
 - link economic theory to contemporary macroeconomic events and issues
 - justify a conclusion
- select and use a clear structure when communicating economic understandings, including:
 - using a relevant and accurate diagram/model
 - making reference to a diagram/model/data to support a written response
 - applying problem-solving, critical thinking and decision-making strategies to predict a macroeconomic outcome
 - recommending a range of demand management policies to achieve Australia's macroeconomic objectives and mitigate demand and supply shocks.

Assessment

Assessment is an integral part of teaching and learning that at the senior secondary years:

- provides evidence of student achievement
- identifies opportunities for further learning
- connects to the standards described for the course
- contributes to the recognition of student achievement.

Assessment for learning (formative) and assessment of learning (summative) enable teachers to gather evidence to support students and make judgements about student achievement. These are not necessarily discrete approaches and may be used individually or together, and formally or informally.

Formative assessment involves a range of informal and formal assessment procedures used by teachers during the learning process in order to improve student achievement and to guide teaching and learning activities. It often involves qualitative feedback (rather than scores) for both students and teachers, which focuses on the details of specific knowledge and skills that are being learnt.

Summative assessment involves assessment procedures that aim to determine students' learning at a particular time, for example when reporting against the standards, after completion of a unit/s. These assessments should be limited in number and made clear to students through the assessment outline.

Appropriate assessment of student work in this course is underpinned by reference to the set of pre-determined course standards. These standards describe the level of achievement required to achieve each grade, from A to E. Teachers use these standards to determine how well a student has demonstrated their learning.

Where relevant, higher order cognitive skills (e.g. application, analysis, evaluation and synthesis) and the general capabilities should be included in the assessment of student achievement in this course. All assessment should be consistent with the requirements identified in the course assessment table.

Assessment should not generate workload and/or stress that, under fair and reasonable circumstances, would unduly diminish the performance of students.

School-based assessment

The *Western Australian Certificate of Education (WACE) Manual* contains essential information on principles, policies and procedures for school-based assessment that must be read in conjunction with this syllabus.

School-based assessment involves teachers gathering, describing and quantifying information about student achievement.

Teachers design school-based assessment tasks to meet the needs of students. As outlined in the WACE Manual, school-based assessment of student achievement in this course must be based on the Principles of Assessment:

- Assessment is an integral part of teaching and learning
- Assessment should be educative
- Assessment should be fair

- Assessment should be designed to meet its specific purpose/s
- Assessment should lead to informative reporting
- Assessment should lead to school-wide evaluation processes
- Assessment should provide significant data for improvement of teaching practices.

The table below provides details of the assessment types and their weighting for the Economics ATAR Year 11 syllabus.

Summative assessments in this course must:

- be limited in number to no more than eight tasks
- allow for the assessment of each assessment type at least once for each unit in the unit pair
- have a minimum value of 5 per cent of the total school assessment mark
- provide a representative sampling of the syllabus content.

Assessment tasks not administered under test or controlled conditions require appropriate authentication processes.

Assessment table – Year 11

Type of assessment	Weighting
<p>Investigation</p> <p>An investigation can require students to collect and analyse economic information and data to describe, demonstrate, discuss, explain, assess, evaluate, recommend and justify and/or analyse an economic concept, event or issue, and the application of economic theories and/or models.</p> <p>Formats can include: an inquiry and/or a response to economic information and data, a scenario or a case study.</p> <p>The investigation can include a validation component that should be administered under test conditions.</p>	20%
<p>Data interpretation/Short answer</p> <p>A short answer can require students to outline, describe, explain and/or analyse an economic concept, event, issue or trend.</p> <p>Typically, questions require students to interpret real or hypothetical economic data or information, such as graphs, tables or text. Typically, tasks are a combination of these formats.</p> <p>Formats can include: multiple-choice questions, calculations and/or short answer questions that can require a definition, description, explanation or application of economic concepts, theories and/or models.</p> <p>For a full list of verbs, see the <i>Glossary of Key Words in the Formulation of Questions</i> on the course page.</p>	20%

Type of assessment	Weighting
<p>Extended answer</p> <p>An extended answer can require students to describe, discuss, explain, evaluate and/or analyse an economic concept, event or issue, and the application of economic theories and/or models. The question can include stimulus material.</p> <p>Formats can include: a sectionalised or non-sectionalised long answer, a response to a scenario or a case study.</p> <p>For a full list of verbs, consult the <i>Glossary of Key Words in the Formulation of Questions</i> on the course page.</p>	20%
<p>Examination</p> <p>Typically conducted at the end of each semester and/or unit. In preparation for Unit 3 and Unit 4, the examination should reflect the examination design brief included in the ATAR Year 12 syllabus for this course.</p>	40%

Teachers must use the assessment table to develop an assessment outline for the pair of units (or for a single unit where only one is being studied).

The assessment outline must:

- include a set of assessment tasks
- include a general description of each task
- indicate the unit content to be assessed
- indicate a weighting for each task and each assessment type
- include the approximate timing of each task (for example, the week the task is conducted, or the issue and submission dates for an extended task).

Reporting

Schools report student achievement, underpinned by a set of pre-determined standards, using the following grades:

Grade	Interpretation
A	Excellent achievement
B	High achievement
C	Satisfactory achievement
D	Limited achievement
E	Very low achievement

The grade descriptions for the Economics ATAR Year 11 syllabus are provided in Appendix 1. They are used to support the allocation of a grade. They can also be accessed, together with annotated work samples, on the course page of the Authority website at www.scsa.wa.edu.au.

To be assigned a grade, a student must have had the opportunity to complete the education program, including the assessment program (unless the school accepts that there are exceptional and justifiable circumstances).

Refer to the *WACE Manual* for further information about the use of a ranked list in the process of assigning grades.

The grade is determined by reference to the standard, not allocated on the basis of a pre-determined range of marks (cut-offs).

Appendix 1 – Grade descriptions Year 11

A	Identifies and explains interrelationships between economic concepts.
	Performs accurate calculations and correctly interprets a range of economic data.
	Uses and applies a range of economic concepts, economic models and data to support responses, and is able to link theory to real-world situations.
	Communicates in a coherent manner, incorporating a clear structure, appropriate economic terminology, diagrams and data.
B	Explains economic concepts and identifies some relationships between economic concepts.
	Performs some accurate calculations and correctly interprets some economic data.
	Uses and applies some economic concepts, economic models and data to support responses, and is able to link theory to familiar examples.
	Communicates in a logical manner, using a clear structure, some appropriate economic terminology, diagrams and data.
C	Describes economic concepts and makes simple links between economic concepts.
	Performs simple calculations and finds straightforward information in economic data.
	Uses some economic concepts, economic models and data in an attempt to support responses, and is able to link some theory to familiar examples.
	Communicates in a general manner, incorporating a simple structure, some economic terminology, diagrams and data.
D	Provides simple, sometimes incomplete, descriptions of economic concepts.
	Performs simple calculations, with limited accuracy.
	Uses limited economic concepts, economic models and data in responses.
	Communicates in a superficial manner, using limited economic terminology, diagrams and data.
E	Does not meet the requirements of a D grade and/or has completed insufficient assessment tasks to be assigned a higher grade.

* These grade descriptions will be reviewed at the end of the second year of implementation of this syllabus.