



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



# ECONOMICS

GENERAL COURSE

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Year 11 syllabus

## **IMPORTANT INFORMATION**

This syllabus is effective from 1 January 2015.

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 that all people, groups and societies face as they confront 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 General course encompasses the key features which characterise an economist's approach to a contemporary economic event or issue: the ability to simplify the essence of a problem, to collect economic information and data to assist analysis and reasoning, to think critically about the limits of analysis in a social context, and to draw inferences which assist decision making, the development of public policy and improvement in economic wellbeing.

The Economics General 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 community, such as unemployment, income distribution, business strategy and international relations.

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

## Course outcomes

The Economics General course is designed to facilitate achievement of the following outcomes.

### Outcome 1 – Economic inquiry

Students use economic information and data to communicate an understanding of economic events, issues and decisions.

In achieving this outcome, students:

- locate, select and organise economic information and data
- analyse and interpret economic information and data
- use economic terms, concepts and models to communicate an understanding of economic events, issues and decisions.

### Outcome 2 – The operation of the economy

Students understand that economic forces influence the operation of the economy and are affected by the decisions of consumers and businesses.

In achieving this outcome, students:

- understand how domestic and international economic forces influence the operation of the economy
- understand the choices, trade-offs and effects of economic decisions made at the local, national and international levels.

### Outcome 3 – Economic policy and action

Students understand that the policies and actions of the government and other authorities affect the operation of the economy.

In achieving this outcome, students:

- understand why economic policies and actions are required to manage the economy
- understand how policy options are used to address domestic and international economic problems and issues
- understand the effects of economic policies and actions of government and other authorities at the local, national and international level.

## 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 – Personal economic and financial decisions

This unit explores personal economic and financial decisions in relation to earning and spending income and building wealth to satisfy needs and wants, both now and in the future.

#### Unit 2 – Small business economics

This unit explores the economic decisions businesses make in relation to the problem of relative scarcity and choice, and the strategies used to achieve a competitive advantage in the market.

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 General 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 students' learning around the knowledge, understandings and skills within the Year 7–10 Economics and Business curriculum.

The Economics General 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 General 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 learn to use the specialised language and terminology of economics when discussing and applying concepts to contemporary issues and events, communicating ideas and forming opinions and drawing conclusions.

### Numeracy

Students develop and apply numeracy knowledge and skills to develop charts, statistics, graphs and models that display economic data. They interpret and analyse economic data, draw conclusions and make predictions and forecasts and apply this knowledge and 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 research and source information on Australia's economy including, internet search engines and websites, and library catalogues. Students develop and apply their ICT skills through organising and presenting information.

### 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. Critical thinking and reasoning skills develop through the investigation of Australia's economy and engaging with data about the economy's performance. Critical and creative thinking is further developed through the examination of contemporary economic issues and events.

### 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 and apply personal, interpersonal and social skills, behaviours and dispositions through working collaboratively and constructively in groups, developing their communication, decision-making, conflict resolution and leadership skills, learning to appreciate the insights and perspectives of others, and the interdependence of economic decisions.



### **Ethical understanding**

Students develop ethical understanding as they identify and investigate ethical concepts, values and principles, and understand how reasoning can assist ethical judgement. Students recognise different perspectives and have opportunities to explore their own rights and responsibilities as participants in the economy.

### **Intercultural understanding**

Students develop intercultural understanding as they engage with their own cultures, values and beliefs, and those of others. The capability involves students learning about, and engaging with, diverse cultures in ways that recognise commonalities and differences in responding to economic issues and events. They consider the effects of decisions made by sectors of the Australian economy, and by economies overseas, to highlight the interconnections between cultures and countries.

## **Representation of the cross-curriculum priorities**

The cross-curriculum priorities address contemporary issues that students face in a globalised world. Teachers may find opportunities to incorporate the priorities into the teaching and learning program for the Economics General 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**

Economics provides an opportunity for students to learn about Aboriginal and Torres Strait Islander decisions in relation to the use of resources in the past and present. Students have the opportunity to explore the interconnectedness between People, Culture and Country/Place and past and present economic activities.

### **Asia and Australia's engagement with Asia**

Economics provides an opportunity for students to learn about current and possible future trade relationships between Australia and Asia. Students have the opportunity 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.

### **Sustainability**

Economics provides an opportunity for students to learn about the interdependence of economic, social and ecological systems. 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 without compromising the ability of future generations to meet their needs and wants. Economics provides the tools for that decision making.

# Unit 1 – Personal economic and financial decisions

## Unit description

This unit explores personal economic and financial decisions in relation to earning and spending income and building wealth. It explores how individuals derive an income and make consumption and savings decisions for both the present and the future, and how the Commonwealth Government can influence these decisions.

## Unit content

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

### Economic knowledge and understanding

#### Personal earning, spending and saving decisions

Over time, individuals and families make many decisions about how to satisfy their wants and needs. All decisions involve trade-offs due to the scarcity of resources that can be used to fund them. The focus of this section is on the earning and spending of income over time including the building of personal wealth.

- the concepts of income and wealth
- the opportunities people have to obtain an income and/or wealth, including:
  - work
  - inheritance
  - superannuation
  - investment returns
  - social welfare payments
- reasons why wages and salaries differ, including:
  - education and training
  - occupation
  - location
  - age
  - gender
  - experience
- influences on individual purchasing decisions, including:
  - level of income
  - price
  - cost of, and access to credit
  - price and availability of substitutes
  - tastes and preferences
  - advertising and marketing
- methods of paying for, or financing, goods and services, including:
  - cash
  - layby
  - credit

- features of a purchase and/or credit contract that would influence purchasing and financing decisions
  - deposit
  - interest rates
  - fees and charges
  - time period
  - total amount payable
  - terms and conditions including penalties for default
- personal financial objectives, including:
  - saving for the future
  - saving for durable consumption
  - building financial assets for retirement
- the necessary trade-offs between satisfying short term and long term personal financial objectives
- the opportunities to use savings to create wealth, including:
  - term deposits
  - shares
  - property
  - voluntary superannuation
- risk/return trade-offs associated with wealth creation opportunities
  - the concept of risk and return
  - the comparison between risk and return in various asset classes such as cash, fixed interest, shares and property
- application of the 'financial pyramid' in relation to personal investment strategies
  - income protection
  - growth
  - speculation
- the concept of diversification in an economics context
- the benefit of a diversified personal investment portfolio
- demonstrate and compare the benefits of different investment portfolios over time

### **Influence of government on personal economic and financial decisions**

Government can influence personal consumer and financial decisions in a number of ways. It redistributes income to enable all people to achieve a minimum standard of living, establishes laws and regulations for consumer protection, and provides incentives that encourage individuals to act in an informed manner and to provide for themselves over the course of their life. The focus of this section is on government taxation and spending.

- the concept of income redistribution
- taxes on:
  - income, including Pay As You Go (PAYG) personal income tax and fringe benefits tax
  - consumption, including the Goods and Services Tax (GST) and excise tax
  - wealth, including the capital gains tax

- direct and indirect social welfare payments provided by the Commonwealth Government through Centrelink, including:
  - pensions, such as the Age Pensions and Disability Support Pension
  - benefits, such as the Child Care Benefit
  - allowances, such as Youth Allowance and Newstart Allowance
  - indirect payments to support merit goods, such as subsidised education and health costs
- Commonwealth Government regulations and incentives, including:
  - compulsory superannuation
  - taxation concessions, such as voluntary superannuation, private health insurance rebates, income protection deductions

## **Economic skills**

### **Economic research**

- identify research questions to investigate
- select appropriate print and electronic media sources of economic information and data to inform personal economic and financial decisions
- apply appropriate methods of recording and organising personal economic or financial information, such as tables, charts, graphs
- apply problem-solving, critical thinking and decision-making strategies to achieve outcomes that may be predictable and contestable by nature

### **Reasoning, interpretation and analysis**

- identify and organise relevant information within sources
- identify trends and relationships in economic or financial information and data, such as comparative investment returns from different portfolios and income distribution
- use economic information and data to make predications, such as in relation to future financial needs
- apply mathematical techniques relevant to personal economic and financial decisions, such as simple and compound interest, the future value of money
- use economics models such as risk/return relationships, the Lorenz curve and the personal investment pyramid
- apply economic reasoning to inform personal economic and financial decisions
- use evidence found in economic information and data to justify a conclusion

### **Communication**

- select and use appropriate terminology
- select and use appropriate formats when communicating economic understandings
- use economic models to convey economic theory and reasoning about personal economic and financial decisions
- prepare and present information that describes and explains concepts and reasoning relevant to personal economic and financial decisions
- reflect on the investigation process used

## Unit 2 – Small business economics

### Unit description

This unit explores small business economic decisions in relation to the problem of relative scarcity and choice. It explores the importance of business in the economy; the way in which businesses combine resources to produce goods and services; and the strategies that businesses use to promote their products and manage internal and external constraints, including government regulation and policy.

### Unit content

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

#### Economic knowledge and understanding

##### Small and medium businesses in the economy

The small and medium enterprises (SMEs) sector is the largest employer in developed economies. The focus of this section is on small business demography and the contribution of the SME sector to the economy.

- use the circular flow of income model to demonstrate the relationship between the business sector and other sectors in the economy
- classification of businesses by:
  - size, including 'small and medium enterprises'
  - ownership, including sole trader, partnership, franchise, private company, public company
  - purpose, including profit and not-for-profit
- the contribution of businesses to employment, income and production
- reasons why businesses exist i.e. creating economic value

##### Business operations, planning and strategy

Small business owners and managers face many decisions about how to operate their business. These include the efficient use of available resources, achieving competitiveness in the market and meeting the challenges that cause change over time. The focus of this section is on how businesses make these decisions.

- the internal decisions facing businesses, including:
  - choosing the most efficient combination of resources and technology
  - the nature of the supply chain
  - the types of costs a business faces such as fixed (overheads) and variable (production) costs
- the external influences facing business, including:
  - market structures and how they influence the operation of individual businesses i.e. the degree of market power
  - competition from other firms in the market (domestic and/or global)
  - government regulations
- the concept of a competitive advantage

- indicators of competitive advantage, including:
  - number of customers
  - sales
  - profitability
  - growth rate
- drivers of change in the market (Porter's Five Forces of Change)
  - threat of substitutes
  - buyer power
  - supplier power
  - threat of new entrants
  - degree of rivalry
- economic strategies used by businesses to achieve a competitive advantage, including:
  - product differentiation
  - cost leadership
  - market segmentation
- influences on business operations, including:
  - government regulations
  - sustainability
  - occupational health and safety
  - ethical behaviour
- factors that influence business sustainability (success or failure), including:
  - the need to control costs
  - the need to understand the market
  - finding creative and innovative solutions
  - understanding the changing needs of customers
  - understanding the 'macro' environment such as the business cycle, the operation of government policy, exchange rate movements and the global economy

## Economic skills

### Economic research

- identify research questions to investigate
- select appropriate print and electronic media sources of economic information and data to inform business decisions
- apply appropriate methods of recording and organising economic information and data such as tables, charts and graphs
- apply problem-solving, critical thinking and decision-making strategies to achieve outcomes that may be predictable and contestable by nature

**Reasoning, interpretation and analysis**

- identify and organise relevant information within sources
- identify trends and relationships in the SME sector such as employment, output and success and failure
- use economic information and data to develop strategies to achieve competitive advantage
- apply mathematical techniques relevant to business operations
- use economics models such as the circular flow of income model, market structures, types of costs
- apply economic theories such as value creation, Porter's Five Forces of Change
- apply economic reasoning to develop a business strategy
- use evidence found in economic information and data to justify a conclusion

**Communication**

- select and use appropriate terminology
- select and use appropriate formats when communicating economic understandings
- use economic models to convey economic theory and reasoning about small business economics and decision making
- prepare and present information that describes and explains concepts and reasoning relevant to small business economics
- reflect on the investigation process used

## School-based assessment

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

Teachers design school-based assessment tasks to meet the needs of students. The table below provides details of the assessment types for the Economics General Year 11 syllabus and the weighting for each assessment type.

### Assessment table – Year 11

Type of assessment	Weighting
<p><b>Investigation</b></p> <p>Students examine an economic concept, event or issue. The investigation can be based on economic information and data provided by the teacher, or require students to locate economic information and data for research.</p> <p>The format of the final presentation can be written, digital or oral.</p> <p>One investigation should be completed for each unit.</p>	20%
<p><b>Data interpretation/Short answer</b></p> <p>An answer of less than 150 words that can include a discussion, an explanation or an analysis of an economic concept, event or issue.</p> <p>Formats can include: multiple-choice questions; calculations; short answer questions that can require a definition, description, explanation or application of economic concepts, theories and/or models; short answer questions that can require interpretation of real or hypothetical economic data or information such as graphs, tables, text or cartoons.</p> <p>Tasks are typically a combination of these formats.</p> <p>At least two data interpretation/short answer tasks should be completed under test conditions.</p>	30%
<p><b>Extended answer</b></p> <p>The question can require a description, discussion, explanation and/or analysis of an economic concept, event or issue, and the application of economic theories and/or models.</p> <p>Formats can include: an essay, a sectionalised long answer, an investigation, a response to a scenario or a case study and can be based on stimulus material.</p> <p>At least two extended answer tasks should be completed under test conditions.</p>	30%
<p><b>Test</b></p> <p>Can be conducted at the end of each semester and/or unit.</p>	20%

Teachers are required to 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).



In the assessment outline for the pair of units, each assessment type must be included at least twice. In the assessment outline where a single unit is being studied, each assessment type must be included at least once.

The set of assessment tasks must provide a representative sampling of the content for Unit 1 and Unit 2.

Assessment tasks not administered under test/controlled conditions require appropriate validation/authentication processes. For example, student performance for an investigation could be validated by a set of short answer questions which is completed in class after the final presentation is submitted.

## Grading

Schools report student achievement in terms of the following grades:

Grade	Interpretation
<b>A</b>	Excellent achievement
<b>B</b>	High achievement
<b>C</b>	Satisfactory achievement
<b>D</b>	Limited achievement
<b>E</b>	Very low achievement

The teacher prepares a ranked list and assigns the student a grade for the pair of units (or for a unit where only one unit is being studied). The grade is based on the student's overall performance as judged by reference to a set of pre-determined standards. These standards are defined by grade descriptions and annotated work samples. The grade descriptions for the Economics General Year 11 syllabus are provided in Appendix 1. They can also be accessed, together with annotated work samples, through the Guide to Grades link on the course page of the Authority website at [www.scsa.wa.edu.au](http://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.

## Appendix 1 – Grade descriptions Year 11

<b>A</b>	Explains economic concepts and identifies simple relationships between economic concepts.
	Performs accurate calculations and interprets economic data correctly.
	Uses and applies economic concepts and data to support responses and is able to link theory to familiar examples.
	Communicates in a logical manner, incorporating a clear structure, using appropriate economic terminology and data.
<b>B</b>	Defines and describes most economic concepts and identifies some of the simple relationships between economic concepts.
	Performs mostly accurate calculations and interprets some economic data correctly.
	Describes economic concepts and uses simple data to support responses and is able to link theory to familiar examples.
	Communicates in a clear and structured manner, using mostly appropriate economic terminology and data.
<b>C</b>	Defines some economic concepts and makes a few simple links between economic concepts.
	Performs simple calculations with limited accuracy.
	Describes some economic concepts, and uses limited data in an attempt to support responses.
	Communicates in a general manner, using limited economic terminology and data.
<b>D</b>	Provides limited statements about economic concepts.
	Performs few calculations and with limited accuracy.
	Provides a limited description of some economic concepts.
	Communicates in a superficial manner, using very limited economic terminology and minimal to no data.
<b>E</b>	Provides incomplete or minimal statements about economic concepts.
	Makes little to no attempt to complete calculations.
	Uses very few economic concepts, models or data in responses.
	Communicates with little or no structure, using minimal economic terminology and with no references to data.