



SAMPLE COURSE OUTLINE

ECONOMICS
ATAR YEAR 12

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.

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Sample course outline

Economics – ATAR Year 12

Semester 1 – Unit 3 – Australia and the global economy

Week	Key teaching points
1–2	<p>Economic knowledge and understanding: Australia’s international trade</p> <ul style="list-style-type: none"> • Australia’s linkages between economies, including trade, investment, tourism and immigration • the extent and importance of trade for the Australian economy • the composition and direction of Australia’s trade • Australia’s trade policy, including regional and bilateral free trade agreements <p>Economic skills</p> <ul style="list-style-type: none"> • select and use appropriate terminology • apply mathematical techniques relevant to international trade including calculating Australia’s trade intensity • use economic information and data to: <ul style="list-style-type: none"> ▪ identify trends and relationships in Australia’s international trade ▪ link economic theory to contemporary economic events and issues • use a clear structure when communicating economic understandings, including: <ul style="list-style-type: none"> ▪ making reference to data to support a written response ▪ providing an explanation using an appropriate example • recommend a range of policies designed to facilitate Australia’s economic relationship with the rest of the world
3–4	<p>Economic knowledge and understanding: Free trade and protection</p> <ul style="list-style-type: none"> • the concepts of absolute and comparative advantage, including the sources of comparative advantage • the gains from specialisation and trade using the demand and supply model, the Production Possibility Frontier (PPF) model and the concept of opportunity cost • the benefits of trade liberalisation • types of protection, including tariffs, subsidies, quotas • arguments for protection • the impact of tariffs and subsidies using the demand and supply model on trade, market efficiency and the macroeconomy <p>Economic skills</p> <ul style="list-style-type: none"> • select and use appropriate terminology • apply mathematical techniques relevant to international trade, including calculating opportunity cost ratios • use microeconomic models to analyse and convey economic theory and reasoning in relation to Australia’s international transactions, including <ul style="list-style-type: none"> ▪ the Production Possibility Frontier (PPF) model ▪ the demand and supply model ▪ the theories of absolute and comparative advantage • use economic information and data to: <ul style="list-style-type: none"> ▪ analyse issues and events ▪ make predictions on Australia’s international trade ▪ link economic theory to contemporary economic events and issues

Week	Key teaching points
	<ul style="list-style-type: none"> ▪ justify a conclusion • use a clear structure when communicating economic understandings, including: <ul style="list-style-type: none"> ▪ using a relevant and accurate diagram/model ▪ making reference to a diagram/model/data to support a written response ▪ providing an explanation using an appropriate example <p>Task 1: Data interpretation/Short answer</p>
5–6	<p>Economic knowledge and understanding: Balance of payments</p> <ul style="list-style-type: none"> • the concept and structure of Australia’s balance of payments • the double entry system of recording transactions • the reasons for Australia’s current account balance in terms of the factors influencing: <ul style="list-style-type: none"> ▪ the trade balance ▪ the income balance • the current account balance and the savings/investment gap • trends in Australia’s current account and financial account over the last ten years <p>Economic skills</p> <ul style="list-style-type: none"> • select and use appropriate terminology • apply mathematical techniques relevant to international trade, including calculating balance of payments data, including balance on goods and services, income balance, current account balance • use economic information and data to: <ul style="list-style-type: none"> ▪ analyse issues and events ▪ link economic theory to contemporary economic events and issues ▪ justify a conclusion • use a clear structure when communicating economic understandings, including: <ul style="list-style-type: none"> ▪ making reference to data to support a written response ▪ providing an explanation using an appropriate example • apply problem-solving, critical thinking and decision-making strategies to predict an outcome
7–8	<p>Economic knowledge and understanding: Terms of trade</p> <ul style="list-style-type: none"> • the concepts of the terms of trade and the terms of trade index • factors that affect the terms of trade, including changes in commodity prices • trends in Australia’s terms of trade over the last ten years • the effects of changes in Australia’s terms of trade <p>Economic skills</p> <ul style="list-style-type: none"> • select and use appropriate terminology • apply mathematical techniques relevant to international trade, including calculating the terms of trade index • use economic information and data to: <ul style="list-style-type: none"> ▪ analyse issues and events ▪ link economic theory to contemporary economic events and issues ▪ justify a conclusion • use a clear structure when communicating economic understandings, including: <ul style="list-style-type: none"> ▪ making reference to data to support a written response ▪ providing an explanation using an appropriate example

Week	Key teaching points
	<ul style="list-style-type: none"> • apply problem-solving, critical thinking and decision-making strategies to predict an outcome <p>Task 2: Extended answer</p>
9–10	<p>Economic knowledge and understanding: Exchange rates</p> <ul style="list-style-type: none"> • the concept of an exchange rate, including Australia's exchange rate • the concept of the trade weighted index • the relationship between the balance of payments and the exchange rate • the determination of, and movements in, the exchange rate using the demand and supply model • the factors that affect the exchange rate • effects of movements in the exchange rate • trends in Australia's exchange rate over the last ten years <p>Economic skills</p> <ul style="list-style-type: none"> • select and use appropriate terminology • apply mathematical techniques relevant to international trade, including calculating the exchange rate • use microeconomic models to analyse and convey economic theory and reasoning in relation to Australia's international transactions, including the demand and supply model • use economic information and data to: <ul style="list-style-type: none"> ▪ analyse issues and events ▪ link economic theory to contemporary economic events and issues ▪ justify a conclusion • use a clear structure when communicating economic understandings, including: <ul style="list-style-type: none"> ▪ using a relevant and accurate diagram/model ▪ making reference to a diagram/model/data to support a written response ▪ providing an explanation using an appropriate example • apply problem-solving, critical thinking and decision-making strategies to predict an outcome
11–13	<p>Economic knowledge and understanding: Foreign investment</p> <ul style="list-style-type: none"> • the concept of foreign investment in terms of Australia's foreign investment flows • the concept of Australia's foreign assets, foreign liabilities and international investment position • the distinction between foreign direct and portfolio investment • the link between foreign investment and the current account balance • trends in Australia's foreign investment flows over the last ten years • the benefits and costs of foreign investment in Australia <p>Economic skills</p> <ul style="list-style-type: none"> • select and use appropriate terminology • use economic information and data to: <ul style="list-style-type: none"> ▪ analyse issues and events ▪ link economic theory to contemporary economic events and issues ▪ justify a conclusion • use a clear structure when communicating economic understandings, including: <ul style="list-style-type: none"> ▪ making reference to data to support a written response

Week	Key teaching points
	<ul style="list-style-type: none">▪ providing an explanation using an appropriate example• apply problem-solving, critical thinking and decision-making strategies to predict an outcome Task 3: Data interpretation/Short answer
14	Unit 3 Revision
15	Task 4: Semester 1 Examination

Semester 2 – Unit 4 – Macroeconomic theory and economic policy

Week	Key teaching points
1	<p>Economic knowledge and understanding: Australia's macroeconomic performance and the business cycle</p> <ul style="list-style-type: none"> the causes and turning points of the business cycle the relationship between the business cycle and economic indicators trends in Australia's macroeconomic performance over the last ten years <p>Economics skills</p> <ul style="list-style-type: none"> select and use appropriate terminology apply mathematical techniques relevant to Australia's economic policy and management, including calculating: <ul style="list-style-type: none"> changes in economic indicators, such as the Consumer Price Index (CPI), Gross Domestic Product (GDP), labour force data, and a percentage rate of change select and/or use economic information and data to: <ul style="list-style-type: none"> analyse macroeconomic issues and events link economic theory to contemporary macroeconomic events and issues select and use a clear structure when communicating economic understandings, including: <ul style="list-style-type: none"> using a relevant and accurate diagram/model making reference to a diagram/model/data to support a written response
2–3	<p>Economic knowledge and understanding: The aggregate expenditure model</p> <ul style="list-style-type: none"> the factors affecting each of the components of Aggregate Expenditure (AE), i.e. $AE = C + I + G + (X - M)$ the relationship between the consumption function, the marginal propensity to consume and the marginal propensity to save the Aggregate Expenditure (AE) model the concept of macroeconomic equilibrium, including the role of inventories the concept of the multiplier the multiplier process using the Aggregate Expenditure (AE) model the impact of changes in the components of aggregate expenditure on the equilibrium level of income/output using the AE model <p>Economics skills</p> <ul style="list-style-type: none"> select and use appropriate terminology apply mathematical techniques relevant to Australia's economic policy and management, including calculating the value of the marginal propensity to consume, the marginal propensity to save and the multiplier use macroeconomic models to analyse and convey economic theory and reasoning in relation to Australia's economic policy and management, including the Aggregate Expenditure model select and/or use economic information and data to: <ul style="list-style-type: none"> link economic theory to contemporary macroeconomic events and issues justify a conclusion select and use a clear structure when communicating economic understandings, including: <ul style="list-style-type: none"> using a relevant and accurate diagram/model making reference to a diagram/model/data to support a written response apply problem-solving, critical thinking and decision-making strategies to predict a

Week	Key teaching points
	<p>macroeconomic outcome</p> <p>Task 5: Extended answer</p>
4–5	<p>Economic knowledge and understanding: The aggregate demand and aggregate supply model</p> <ul style="list-style-type: none"> the aggregate demand (AD) curve and factors that can cause movements along and shifts of the AD curve the short-run aggregate supply (SRAS) curve and factors that can cause movements along and shifts of the SRAS curve the long-run aggregate supply (LRAS) curve and factors that can cause shifts of the LRAS curve macroeconomic equilibrium using the AD/AS model the impact of changes in aggregate demand and aggregate supply on the equilibrium level of income/output using the AD/AS model the use of the AD/AS model to explain the business cycle <p>Economics skills</p> <ul style="list-style-type: none"> select and use appropriate terminology use macroeconomic models to analyse and convey economic theory and reasoning in relation to Australia's economic policy and management, including the Aggregate Demand/Aggregate Supply model (SRAS and LRAS) select and/or use economic information and data to: <ul style="list-style-type: none"> analyse macroeconomic issues and events link economic theory to contemporary macroeconomic events and issues justify a conclusion select and use a clear structure when communicating economic understandings, including: <ul style="list-style-type: none"> using a relevant and accurate diagram/model making reference to a diagram/model/data to support a written response apply problem-solving, critical thinking and decision-making strategies to predict a macroeconomic outcome
6–8	<p>Economic knowledge and understanding: Fiscal policy</p> <ul style="list-style-type: none"> the concept of fiscal policy the macroeconomic policy objectives of the Australian Government the different budget outcomes, i.e. balanced, surplus and deficit budgets reasons for differences between planned and actual budget outcomes methods of financing a budget deficit and the impact of government debt the distinction between automatic fiscal stabilisers and discretionary fiscal policy the impact of expansionary and contractionary fiscal policy stances on the level of economic activity using the AE and AD/AS model strengths and weaknesses of fiscal policy fiscal policy stances in Australia over the last three years <p>Economics skills</p> <ul style="list-style-type: none"> select and use appropriate terminology apply mathematical techniques relevant to Australia's economic policy and management, including calculating the budget outcome use macroeconomic models to analyse and convey economic theory and reasoning in relation to Australia's economic policy and management, including:

Week	Key teaching points
	<ul style="list-style-type: none"> ▪ the Aggregate Expenditure model ▪ the Aggregate Demand/Aggregate Supply model (SRAS and LRAS) • select and/or use economic information and data to: <ul style="list-style-type: none"> ▪ identify trends and relationships in relation to Australia's economic policy and management ▪ analyse macroeconomic issues and events ▪ make predictions on Australia's economic policy and management ▪ link economic theory to contemporary macroeconomic events and issues ▪ justify a conclusion • select and use a clear structure when communicating economic understandings, including: <ul style="list-style-type: none"> ▪ using a relevant and accurate diagram/model ▪ making reference to a diagram/model/data to support a written response • apply problem-solving, critical thinking and decision-making strategies to predict a macroeconomic outcome <p>Task 6: Data interpretation/Short answer</p>
9–11	<p>Economic knowledge and understanding: Monetary policy</p> <ul style="list-style-type: none"> • the concepts of monetary policy and the cash rate • the economic policy objectives of the Reserve Bank of Australia (RBA) • conventional and unconventional monetary policy • circumstances under which the RBA may change the monetary policy stance • how changes in the cash rate affects the level of economic activity, i.e. the transmission mechanism • the impact of expansionary and contractionary monetary policy stances on the level of economic activity using the AE and AD/AS model • strengths and weaknesses of monetary policy • monetary policy stances in Australia over the last three years <p>Economics Skills</p> <ul style="list-style-type: none"> • select and use appropriate terminology • use macroeconomic models to analyse and convey economic theory and reasoning in relation to Australia's economic policy and management, including: <ul style="list-style-type: none"> ▪ the Aggregate Expenditure model ▪ the Aggregate Demand/Aggregate Supply model (SRAS and LRAS) • select and/or use economic information and data to: <ul style="list-style-type: none"> ▪ identify trends and relationships in relation to Australia's economic policy and management ▪ analyse macroeconomic issues and events ▪ make predictions on Australia's economic policy and management ▪ link economic theory to contemporary macroeconomic events and issues ▪ justify a conclusion • select and use a clear structure when communicating economic understandings, including: <ul style="list-style-type: none"> ▪ using a relevant and accurate diagram/model ▪ making reference to a diagram/model/data to support a written response • apply problem-solving, critical thinking and decision-making strategies to predict a macroeconomic outcome <p>Task 7: Extended answer</p>

Week	Key teaching points
12–13	<p>Economic knowledge and understanding: Labour productivity</p> <ul style="list-style-type: none"> the importance of long-run economic growth the concept of labour productivity the factors affecting labour productivity growth, including human capital, physical capital (capital deepening), technological progress government policies designed to influence labour productivity and the achievement of economic growth the impact of changes in labour productivity using the AD/AS model and the Aggregate Production Function (APF) <p>Economics skills</p> <ul style="list-style-type: none"> select and use appropriate terminology apply mathematical techniques relevant to Australia's economic policy and management, including calculating labour productivity use macroeconomic models to analyse and convey economic theory and reasoning in relation to Australia's economic policy and management, including: <ul style="list-style-type: none"> the Aggregate Demand/Aggregate Supply model (SRAS and LRAS) the Aggregate Production Function (APF) select and/or use economic information and data to: <ul style="list-style-type: none"> identify trends and relationships in relation to Australia's economic policy and management link economic theory to contemporary macroeconomic events and issues justify a conclusion select and use a clear structure when communicating economic understandings, including: <ul style="list-style-type: none"> using a relevant and accurate diagram/model making reference to a diagram/model/data to support a written response apply problem-solving, critical thinking and decision-making strategies to predict a macroeconomic outcome recommend a range of demand management policies and policies that promote productivity to achieve Australia's macroeconomic objectives and mitigate demand and supply shocks
14	Unit 3 and Unit 4 Revision
15	Task 8: Semester 2 Examination