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

ECONOMICS

ATAR course

Year 12 syllabus for teaching from 2027

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

As part of the Western Australian Certificate of Education (WACE) Refreshment, the School Curriculum and Standards Authority (the Authority) has revised the course rationale and aims, and updated the General Capabilities to create clearer connections with the syllabus content.

This syllabus is effective from 1 January 2027.

Users of this syllabus are responsible for checking its currency.

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

Contents

Rationale

The Economics ATAR course engages students in the language of economics, including the use of theories and models to examine economic events and issues, with an emphasis on Australia's connections with the global economy and its macroeconomic performance. It explores economic decision-making related to Australia's international transactions and economic policies that influence societal wealth and wellbeing. The course aims to develop students' knowledge, reasoning and interpretation skills that form an important component of understanding the causes and effects of real-world economic events and issues, and the intended and unintended consequences of economic decision-making by individuals, businesses and governments.

By studying the course, students develop an understanding of the knowledge, values and opinions that surround the complex range of economic events and issues facing our society, as they explore economic theory and models related to Australia's interactions with the global economy, macroeconomic performance and economic policies. They study Australia's links with the rest of the world through trade and foreign investment, and the effects of these international transactions. Students also learn about the macroeconomic performance of the economy by examining the business cycle and how economic policies are used to manage its fluctuations in an attempt to achieve the macroeconomic objectives of the Australian Government and the Reserve Bank of Australia.

Students develop the skills that characterise an economist's approach when exploring an economic event or issue. These include simplifying a problem; collecting economic information and data; using economic models to conduct analysis and convey economic theory and reasoning; drawing inferences and justifying conclusions.

Through the course, students develop economic literacy which allows them to actively participate in economic and financial decision-making that promotes individual and societal wealth and wellbeing. The course develops students' critical thinking, problem-solving, interpretation and reasoning skills, which are applicable to, and transferable across, a range of real-world contexts.

The knowledge and skills acquired through the Economics ATAR course relate to a range of further study pathways in vocational and tertiary education, which may lead to a variety of future career options in occupational fields such as data analysis, banking, insurance, property, education, public policy, finance, economic forecasting and business consulting.

Aims

The Economics ATAR course aims to develop students':

- understanding of economic ideas and information, and the trade-offs and effects of economic decisions made at local, national and global levels
- understanding of the role of economic decision-making in creating productive, efficient and equitable outcomes
- understanding of the forces that influence the operation of the economy
- understanding of the economic policy options used to address domestic and international economic issues
- skills in using economic terminology to convey meaning when communicating economic understandings
- skills in applying economic concepts, mathematical techniques and models to analyse and convey economic theory and reasoning
- skills in interpreting economic data and information
- skills in economic inquiry, problem-solving and critical thinking to analyse economic events and issues, make predictions and justify conclusions.

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 12 syllabus is divided into two units which are delivered as a pair. The notional time for the pair of units is 110 class contact hours.

Unit 3 – Australia and the global economy

This unit explores the interdependence of Australia and the rest of the world. Australia is a relatively open economy and, as such, is influenced by changes in the world economy.

Unit 4 – Macroeconomic Theory and Economic Policy

This unit explores the economic objectives of the Australian Government and the actions and policies taken in the pursuit of these objectives. Changes in the level of economic activity influence the policy mix and the government's capacity to achieve its objectives.

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.

Representation of the General Capabilities

The General Capabilities encompass the knowledge, skills, behaviours and dispositions that will support students to live and work successfully now and into the future. They are not assessed unless identified within the specified unit content. Teachers should find opportunities to incorporate the following General Capabilities into the teaching and learning program for the Economics ATAR course.

Critical and creative thinking

Students apply problem-solving, critical thinking and decision-making strategies to predict an outcome. They use real and/or hypothetical economic information and data to identify trends and relationships; analyse economic issues and events; make predictions relating to Australia's international trade, economic policy and management; and justify conclusions. Students apply economic concepts, theories and models to analyse and convey economic theory and reasoning related to Australia's international transactions and economic policy and management. They use their economic knowledge and understanding to seek possibilities, consider alternatives and recommend a range of economic policies that facilitate Australia's economic relationship with the rest of the world, promote productivity to achieve Australia's macroeconomic objectives, and mitigate demand and supply shocks. Students consider the causes and intended and unintended consequences of these decisions.

Literacy

Students develop literacy capability as they research, read, interpret and analyse different formats of information and data relating to the Australian economy. They select and use appropriate terminology, and use real or hypothetical economic information and data to analyse economic issues and events; make predictions relating to Australia's international trade, economic policy and management; and justify conclusions. Students link economic theory to contemporary economic events and issues and communicate economic information using a clear structure and a range of formats, including using economic models, diagrams and data when developing short and extended answer responses. Through the development of these skills, students become competent and confident authors of economic information.

Numeracy

Students apply mathematical techniques relevant to Australia's international economic transactions and its economic policy and management, including calculations involving real or hypothetical data, using a range of graphs, text and tables to explain changes in economic activity. They use economic models, including the Production Possibility Frontier, demand and supply, Aggregate Expenditure, Aggregate Demand and Aggregate Supply and the Aggregate Production Function to illustrate relationships, and analyse and convey economic theory and reasoning, including the effect of changes in a variable. Students select, use and interpret real and/or hypothetical economic information and data to identify trends and relationships, make predictions, analyse economic issues and events, and justify conclusions.

Addressing the other General Capabilities

Although the following General Capabilities have not been identified as a focus in the Economics ATAR Year 12 syllabus, teachers may find opportunities to incorporate them into the teaching and learning program.

- Digital literacy
- Ethical understanding
- Intercultural understanding
- Personal and social capability

Such opportunities may occur through the application of different contexts, pedagogical practices and/or assessment strategies that relate to the syllabus as part of the teaching and learning program.

Summary representation of the General Capabilities in the Economics ATAR course

The unit content and assessment types for this course provide students with the opportunity to develop the General Capabilities summarised in the table below.

Year	Course	Course type	General Capabilities						
			CCT	DL	EU	IU	L	N	PSC
Year 11	Economics (AEECO)	ATAR	✓				✓	✓	
Year 12	Economics (ATECO)	ATAR	✓				✓	✓	

Key
CCT: Critical and creative thinking, DL: Digital literacy, EU: Ethical understanding, IU: Intercultural understanding, L: Literacy, N: Numeracy, PSC: Personal and social capability

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 them 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 3 – Australia and the global economy

Unit description

This unit focuses on Australia's links with the global economy. It analyses the gains from free trade and the effects of trade protection using relevant economic models. It includes topics on the balance of payments, the terms of trade and foreign investment. Students are required to use recent economic data to describe and explain trends in Australia's economic transactions with the rest of the world.

Unit content

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

Economic knowledge and understanding

Australia's international trade

- 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

Free trade and protection

- 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

Balance of payments

- 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:
  - 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

Terms of trade

- 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

Exchange rates

- 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

Foreign investment

- the concept of foreign investment in terms of Australia's foreign investment flows
- 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
- the concept of Australia's foreign assets, foreign liabilities and international investment position

Economic skills

- select and use appropriate terminology
- apply mathematical techniques relevant to international trade, including calculating:
  - Australia's trade intensity
  - opportunity cost ratios
  - balance of payments data, including balance on goods and services, income balance, current account balance
  - the terms of trade index
  - the exchange rate
- use microeconomic models to analyse and convey economic theory and reasoning in relation to Australia's international transactions, including:
  - the Production Possibility Frontier (PPF) model
  - the demand and supply model
  - the theories of absolute and comparative advantage
- use economic information and data to:
  - identify trends and relationships in Australia's international trade
  - analyse issues and events
  - make predictions on Australia's international trade
  - link economic theory to contemporary economic 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
  - providing an explanation using an appropriate example
- apply problem-solving, critical thinking and decision-making strategies to predict an outcome
- recommend a range of policies designed to facilitate Australia's economic relationship with the rest of the world.

Unit 4 – Macroeconomic theory and economic policy

Unit description

This unit focuses on understanding the business cycle using the aggregate expenditure model and the aggregate demand-aggregate supply model. Students examine recent macroeconomic data to analyse the performance of the economy. This unit also explores how economic policies, including fiscal policy, monetary policy and policies that promote productivity, operate in the pursuit of the Australian Government's economic objectives. Students apply the language, theories and tools of economics to analyse the effectiveness of these policies.

Unit content

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

Economic knowledge and understanding

Australia's macroeconomic performance and the business cycle

- 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

The aggregate expenditure model

- 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

The aggregate demand and aggregate supply models

- 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

Fiscal policy

- 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

Monetary policy

- 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

Labour productivity

- 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)

Economic skills

- 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
  - the budget outcome
  - labour productivity
  - changes in economic indicators, such as the Consumer Price Index (CPI), Gross Domestic Product (GDP), labour force data, and a percentage rate of change
- 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
  - the Aggregate Demand/Aggregate Supply model (SRAS and LRAS)
  - the Aggregate Production Function (APF)
- select and/or use economic information and data to:
  - 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:
  - 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.

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 12 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 over the year/pair of units
- 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 12

Type of assessment	Weighting
Data interpretation/Short answer A short answer can require students to outline, describe, explain or analyse an economic concept, event, issue or trend. 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. 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. For a full list of verbs, see the *Glossary of Key Words in the Formulation of Questions* on the course page.	30%
Extended answer The extended answer can require students to analyse, assess, describe, discuss, explain and or/ evaluate an economic concept, event or issue, and the application of economic theories and/or models. The question can include stimulus material. Formats can include: a sectionalised or non-sectionalised long answer, an investigation and/or a response to a scenario or a case study. For a full list of verbs, see the *Glossary of Key Words in the Formulation of Questions* on the course page.	30%
Examination Typically conducted at the end of each semester and/or unit and reflecting the examination design brief for this syllabus.	40%

Teachers must use the assessment table to develop an assessment outline for the pair of units.

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 12 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).

ATAR course examination

All students enrolled in the Economics ATAR Year 12 course are required to sit the ATAR course examination. The examination is based on a representative sampling of the content for Unit 3 and Unit 4. Details of the ATAR course examination are prescribed in the examination design brief on the following page.

Refer to the *WACE Manual* for further information.

Examination design brief – Year 12

Time allowed

Reading time before commencing work: ten minutes

Working time for paper: three hours

Permissible items

Standard items: pens (blue/black preferred), pencils (including coloured), sharpener, correction fluid/tape, eraser, ruler, highlighters

Special items: up to three calculators, which do not have the capacity to create or store programs or text, are permitted in this ATAR course examination.

Additional information

Questions require the candidate to focus on the Australian economy and can require reference to Australia's economic performance and policy over the last ten years. Questions can require the candidate to make reference to content from Unit 3 and/or Unit 4 in their response. The key words listed in the supporting information of the examination design brief are not an exhaustive list.

Section	Supporting information
Section One **Multiple-choice** 20% of the total examination 20 questions Suggested working time: 30 minutes	The questions are pitched at varying degrees of difficulty.
Section Two **Data interpretation** 50% of the total examination Four questions Suggested working time: 90 minutes	Each question is based on stimulus material which may include graphs, tables and/or text. Each question has between three and six parts. Questions can require the candidate to refer to and/or use the stimulus material to: • perform calculations • identify, outline, describe and/or account for trends • identify, analyse, and/or explain relationships. Questions can require the candidate to apply economic concepts, theories and/or models.

Section	Supporting information
Section Three **Extended answer** **Part A: Unit 3** 15% of the total examination One question from a choice of two Suggested working time: 30 minutes **Part B: Unit 4** 15% of the total examination One question from a choice of two Suggested working time: 30 minutes	Each question is of equal value and in the form of an extended answer. Questions can require the candidate to account for, assess, demonstrate, describe, discuss, evaluate and/or explain. Questions can require the candidate to apply economic concepts, theories and/or models. The question may include stimulus material.

Appendix 1 – Grade descriptions Year 12

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.