**Sample Course Outline**

Economics

ATAR Year 12

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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 | **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   **Economic skills**   * select and use appropriate terminology * apply mathematical techniques relevant to international trade including calculating Australia’s trade intensity * use economic information and data to:   + 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:   + 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 | **Economic knowledge and understanding: 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   **Economic skills**   * 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   + the Production Possibility Frontier (PPF) model   + the demand and supply model   + the theories of absolute and comparative advantage * use economic information and data to:   + 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   **Task 1: Data interpretation/Short answer** |
| 5–6 | **Economic knowledge and understanding: 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   **Economic skills**   * 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:   + 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:   + 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 | **Economic knowledge and understanding: 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   **Economic skills**   * 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:   + 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:   + 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   **Task 2: Extended answer** |
| 9–10 | **Economic knowledge and understanding: 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   **Economic skills**   * 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:   + 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:   + 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 | **Economic knowledge and understanding: Foreign investment**   * 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   **Economic skills**   * select and use appropriate terminology * use economic information and data to:   + 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:   + 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   **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 | **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   **Economics skills**   * select and use appropriate terminology * apply mathematical techniques relevant to Australia’s economic policy and management, including calculating:   + 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:   + 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:   + using a relevant and accurate diagram/model   + making reference to a diagram/model/data to support a written response |
| 2–3 | **Economic knowledge and understanding: 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   **Economics 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 * 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:   + 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  **Task 5: Extended answer** |
| 4–5 | **Economic knowledge and understanding: The aggregate demand and aggregate supply model**   * 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   **Economics skills**   * 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: * 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:   + 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 | **Economic knowledge and understanding: 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   **Economics skills**   * 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:   + the Aggregate Expenditure model   + the Aggregate Demand/Aggregate Supply model (SRAS and LRAS) * 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   **Task 6: Data interpretation/Short answer** |
| 9–11 | **Economic knowledge and understanding: 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   **Economics Skills**   * 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 Expenditure model   + the Aggregate Demand/Aggregate Supply model (SRAS and LRAS) * 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   **Task 7: Extended answer** |
| 12–13 | **Economic knowledge and understanding: 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)   **Economics skills**   * 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:   + 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   + 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 |
| 14 | Unit 3 and Unit 4 Revision |
| 15 | **Task 8: Semester 2 Examination** |