**Sample Course Outline**

Economics

General Year 11

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# Sample course outline

# Economics – General Year 11

## Semester 1 – Unit 1 – Personal economic and financial decisions

| **Week** | **Key teaching points** |
| --- | --- |
| 1–3 | **Personal earning decisions**   * definition of income * different types of income * definition of wealth * difference between an asset and a liability * difference between wealth and income * different ways to increase wealth * five examples of different occupations and the average annual wage/salary for each * factors that affect wages/salaries within the same occupation * effect of education/training on wages/salaries between different occupations |
| 4–8 | **Personal spending decisions**   * examples of spending to satisfy needs * examples of spending to satisfy wants * factors affecting an individual’s spending decision * positive relationship between income and spending * effect of an increase in a person’s income on their spending on the following goods: * fruit and vegetables * petrol * alcohol * entertainment * designer label clothes * negative relationship between price and spending * different methods for purchasing goods and services * advantage and disadvantage of buying on credit compared to cash * advantage and disadvantage of buying on credit compared to layby * advantage and disadvantage of buying on layby compared to cash * meaning of a credit contract * important elements of a credit contract * meaning of a purchase contract * important elements of a purchase contract (such as a mobile phone) |
| 9–12 | **Personal saving decisions**   * reasons why people save part of their income * definition of durable consumer good * definition of financial asset * trade-offs between short term and long term financial objectives * different types of saving * meaning of risk in terms of a personal investment * meaning of return in terms of a personal investment * difference between types of return – income and capital gain * difference between a capital gain and a capital loss * effect of time on the rate of return * relationship between risk and the rate of return * a comparison of different types of personal investments in terms of risk and return |
|  | * different types of personal investment strategies including: * income protection * savings * growth * speculation * application of the personal investment pyramid to show different investment strategies * meaning of a balanced personal investment portfolio * difference between a low risk and a high risk personal investment strategy * concept of diversification in terms of a personal investment strategy * advantages of a diversified personal investment portfolio * comparison of different types of investment portfolios over time |
| 13–15 | **Influence of government on personal economic and financial decisions**   * role of the ACCC in protecting the interests and safety of consumers * consumer protection * consumer rights and guarantees * Government taxes that affect an individual’s earning and spending * taxes on income * taxes on consumption * taxes on wealth * difference between a progressive tax and a regressive tax * current income tax scales in Australia * effect of a progressive income tax on the distribution of income * meaning and importance of income redistribution * types of welfare payments and services that governments provide to redistribute income * role of Centrelink and examples of Centrelink payments * importance of public education, public transport and public health services to improve equity * definition of merit good/service * examples of merit goods and services provided by the Australian Government * Government incentives to encourage private saving and private health insurance * taxation concessions on private superannuation * private health insurance rebate |

#### Semester 2 – Unit 2 – Small business economics

| **Week** | **Key teaching points** |
| --- | --- |
| 1–4 | **Small and medium businesses in the economy**   * meaning and role of the business sector in the economy * circular flow model showing households, firms, the financial market, government sector and overseas sector * reasons why business firms exist * aspects of a business firm * classification of businesses by size * small (0–19 employees) * medium (20–199 employees) * large (200+ employees) * characteristics of different types of business ownership * classification of businesses by industry sector * classification of businesses within the services sector * contribution to industry value added by business size * industry value added by sector and business size * employment by business size * employment by sector and business size * importance of the business sector to the economy |
| 5–8 | **Business operations**   * important **internal decisions** facing a business firm * business name * nature of product/service * types of resources to use * supply chain * effect of technology * location of business * pricing of goods/services * costs of the business * fixed or overhead costs * variable costs * marketing and advertising * important **external decisions** facing a business firm * types of markets – competitive or imperfect * competition from other firms * concept of market power * characteristics of monopoly and oligopoly firms * the meaning of product/service differentiation * difference between domestic competition and foreign competition * Government regulations such as licensing and registration |
| 9–12 | **The concept of competitive advantage**   * meaning of competitive advantage * difference between a cost advantage and a differentiation advantage * reasons for a competitive advantage * patents and trademarks * know-how * established customer base * reputation * brand recognition * innovation * barriers to entry |
|  | * indicators of competitive advantage * number of customers * market share * profitability * drivers of competitive advantage (Porter’s five forces of change) * threat of substitutes * buyer power * supplier power * threat of new entrants * degree of rivalry * economic strategies to achieve a competitive advantage * cost leadership: strategies to reduce costs over time * product differentiation: strategies to make your product different to competitors * niche market strategies |
| 13–14 | **Influences on business operations**   * changes in demand factors * changes in supply factors * Government regulation * health and safety requirements * registration * taxation requirements * competition and consumer legislation * effect of changes in interest rates on the business * effect of changes in Government policy (including environmental policy) on the business * effect of changes in the exchange rate on the business * importance of ethical business behaviour |
| 15 | **Factors that influence business success or failure**   * understanding economic costs * difference between accounting costs and economic costs * difference between economic profit and accounting profit * meaning of bankruptcy * meaning of productivity * strategies to reduce production costs * strategies to increase revenue * effect of the business cycle on the firm * meaning of the business cycle * effect of expansions and contractions * impact of globalisation on the firm |