**Sample Course Outline**

Economics

ATAR Year 11

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# Sample course outline

# Economics – ATAR Year 11

## Semester 1 – Unit 1 – Microeconomics

| **Week** | **Key teaching points** |
| --- | --- |
| 1–2 | **Economic knowledge and understanding: Introduction to economics*** the concepts of economics and the distinction between microeconomics and macroeconomics
* the concepts of opportunity cost and the economic problem
* the economic decision-making process
* the importance of economic models
* the Production Possibility Frontier (PPF) model
* the characteristics of a market economy

**Economic Skills*** select and use appropriate terminology
* apply mathematical techniques relevant to markets including calculating opportunity cost
* use economic models to analyse and convey economic theory related to markets, including the production possibility frontier
* use a clear structure when communicating economic understandings, including using a relevant and accurate diagram/model
 |
| 3–4 | **Economic knowledge and understanding: Demand*** the law of demand
* the relationship between individual and market demand schedules and curves
* the effect of changes in price on quantity demanded, i.e. movement along the curve
* non-price factors affecting demand
* income, i.e. effect on normal and inferior goods
* population
* tastes and preferences
* prices of substitutes and complements
* expected future prices
* the effect of changes in non-price factors on demand, i.e. increase or decrease in demand

**Economic Skills*** select and use appropriate terminology
* use economic models to analyse and convey economic theory related to markets, including demand and supply graphs to analyse market behaviour and performance
* use a clear structure when communicating economic understandings, including using a relevant and accurate diagram/model
 |
| 5–6 | **Economic knowledge and understanding: Supply*** the law of supply
* the relationship between individual and market supply schedules and curves
* the effect of changes in price on quantity supplied, i.e. movement along the curve
* non-price factors affecting supply
* costs of production
* expected future prices
* number of suppliers
* technology
* events affecting the availability of resources and the supply chain
* the effect of changes in non-price factors on supply, i.e. increase or decrease in supply

**Economic Skills*** select and use appropriate terminology
* use economic models to analyse and convey economic theory related to markets, including demand and supply graphs to analyse market behaviour and performance
* use a clear structure when communicating economic understandings, including using a relevant and accurate diagram/model
 |
| 7 | **Economic knowledge and understanding: Market equilibrium*** the concept of market equilibrium
* the concepts of market clearing, shortages and surpluses
* the effect of changes in demand and/or supply on market equilibrium including simultaneous shifts of demand and supply

**Economic Skills*** select and use appropriate terminology
* use economic models to analyse and convey economic theory related to markets, including demand and supply graphs to analyse market behaviour and performance
* use a clear structure when communicating economic understandings, including using a relevant and accurate diagram/model

**Task 1: Data interpretation/Short answer** |
| 8–10 | **Economic knowledge and understanding: Elasticity*** the concept, and measurement, of price elasticity of demand
* determinants of price elasticity of demand
* the distinction between goods that are price elastic and price inelastic in demand
* the link between price elasticity of demand and total revenue
* the concept of price elasticity of supply
* the distinction between goods that are price elastic and price inelastic in supply
* determinants of price elasticity of supply
* the application of price elasticity of demand and supply to markets
* the importance of price elasticity of demand and supply for business and government, including the incidence of a tax and price discrimination

**Economic Skills*** select and use appropriate terminology
* apply mathematical techniques relevant to markets including calculating price elasticity of demand, i.e. total revenue, coefficient method, price elasticity of supply
* use economic models to analyse and convey economic theory related to markets, including demand and supply graphs to predict market behaviour
* use a clear structure when communicating economic understandings, including using a relevant and accurate diagram/modeland reference to a diagram/model/data to support a written response

**Task 2: Extended answer (Case study/Scenario)** |
| 11 | **Economic knowledge and understanding: Market efficiency*** the concept of market efficiency in a perfectly competitive market
* the concepts of consumer surplus, producer surplus, total surplus, deadweight loss
* the efficiency of market equilibrium, i.e. maximising total surplus
* how under-and overproduction in a market can result in a deadweight loss
* the effects of a tax and a subsidy on a market
* the effects of a price ceiling and a price floor on a market

**Economic Skills*** select and use appropriate terminology
* apply mathematical techniques relevant to markets including marginal benefits and marginal costs, consumer surplus, producer surplus, deadweight loss
* use economic models to analyse and convey economic theory related to markets, including demand and supply graphs to analyse market behaviour and performance
* use a clear structure when communicating economic understandings, including using a relevant and accurate diagram/model and reference to a diagram/model/data to support a written response
 |
| 12 | **Economic knowledge and understanding: Market failure*** the concept of market failure

**Economic knowledge and understanding: Market power*** the characteristics of an imperfectly competitive market
* the concept and causes of market power
* how market power can influence market efficiency, i.e. a deadweight loss
* policy options to influence market power, including regulation/deregulation and legislation

**Economic Skills*** select and use appropriate terminology
* use economic information and data to:
* identify trends and relationships in markets
* analyse microeconomic issues and events
* predict market behaviour
* link economic theory to contemporary microeconomic events and issues
* justify a conclusion
* use a clear structure when communicating economic understandings, including:
* using a relevant and accurate diagram/model
* reference to a diagram/model/data to support a written response
* apply problem-solving, critical thinking and decision-making strategies to predict a market outcome
* recommend a range of action/policies to achieve market efficiency

**Task 3: Investigation (Issue)** |
| 13 | **Economic knowledge and understanding: Externalities*** the concept of externalities, i.e. positive and negative externalities
* the influence of externalities on market efficiency, i.e. a deadweight loss
* policy options to correct for externalities, including the use of taxes and subsidies

**Economic Skills*** select and use appropriate terminology
* use a clear structure when communicating economic understandings, including:
* using a relevant and accurate diagram/model
* reference to a diagram/model/data to support a written response
* apply problem-solving, critical thinking and decision-making strategies to predict a market outcome
* recommend a range of action/policies to achieve market efficiency
 |
| 14 | **Economic knowledge and understanding: Public goods and common resources*** the classification of goods, i.e. based on rivalry and excludability
* public goods and the free rider effect
* common resources and the tragedy of the commons
* policy options to reduce market failure associated with public goods and common resources

**Task 3: Investigation (Submit)** |
| 15 | Unit 1 Revision  |
| 16 | **Task 4: Semester 1 Examination** |

## Semester 2 – Unit 2 – Macroeconomics

| **Week** | **Key teaching points** |
| --- | --- |
| 1-2 | **Economic Knowledge and Understanding: Introduction to macroeconomics*** the concept of macroeconomics
* the concepts of total spending, total output and total income and the relationship between them
* the concept of the five sector circular flow of income
* the concepts of equilibrium, leakages and injections in the circular flow of income
* the effect of changes in leakages and injections on the level of equilibrium in the circular flow of income model
* the concept of Gross Domestic Product (GDP)
* the expenditure approach to measuring GDP, i.e. GDP = C+I+G+(X-M)

**Economics Skills*** select and use appropriate terminology
* apply mathematical techniques relevant to macroeconomics including calculations relating to the circular flow of income
* select and use a clear structure when communicating economic understandings, including using a relevant and accurate diagram/model and reference to a diagram/model/data to support a written response
 |
| 3–4 | **Economic Knowledge and Understanding: Economic growth*** the concept and measurement of economic growth
* the distinction between nominal Gross Domestic Product (GDP), real GDP, and real GDP per capita
* GDP as a measure of economic welfare
* the demonstration of economic growth using the Production Possibility Frontier (PPF) and aggregate production function (APF)
* the determinants of economic growth
* the costs and benefits of economic growth
* the trends in economic growth in Australia over the last five years

**Economics Skills*** select and use appropriate terminology
* apply mathematical techniques relevant to macroeconomics including calculating and interpreting rates of change in Gross Domestic product (GDP)
* use economic models to analyse and convey economic theory and reasoning related to macroeconomic events and issues, including the aggregate production function (APF)
 |
| 5–6 | **Economic Knowledge and Understanding: Inflation*** the concept, and measurement, of inflation
* the distinction between headline and underlying inflation
* the causes and types of inflation including demand pull and cost push
* the effects of inflation
* the impact of events on the trends in inflation in Australia over the last five years

**Economics Skills*** select and use appropriate terminology
* apply mathematical techniques relevant to macroeconomics including calculating the inflation rate using the Consumer Price Index (CPI)
 |
| 7–8 | **Economic Knowledge and Understanding: Unemployment*** the concepts of unemployment, full employment, the non-accelerating inflation rate of unemployment (NAIRU), the participation rate, underemployment
* the measurement of unemployment
* the causes and types of unemployment, including cyclical, structural and frictional
* the effects of unemployment including the GDP Gap
* the relationship between unemployment and inflation, i.e. the Phillips Curve
* the impact of events on the trends in unemployment in Australia over the last five years

**Economics Skills*** select and use appropriate terminology
* apply mathematical techniques relevant to macroeconomics including calculating the unemployment rate and the participation rate from labour force data
* select and/or use economic information and data to identify trends and relationships in the macroeconomy
* use economic models to analyse and convey economic theory and reasoning related to macroeconomic events and issues, including the production possibility frontier and the Phillips curve

**Task 5: Data interpretation/Short answer** |
| 9–10 | **Economic Knowledge and Understanding: The business cycle*** the concept of the business cycle
* the characteristics of each phase of the business cycle
* indicators of macroeconomic activity
* the impact of events on the business cycle in Australia over the last five years

**Economics Skills*** select and use appropriate terminology
* use economic models to analyse and convey economic theory and reasoning related to macroeconomic events and issues, including the business cycle
* select and/or use economic information and data to:
* identify trends and relationships in the macroeconomy
* analyse macroeconomic issues and events
* predict movements in macroeconomic trends using indicators
* link economic theory to contemporary macroeconomic events and issues

**Task 6: Extended answer** |
| 11 | **Economic Knowledge and Understanding: Income distribution*** the concepts of income and wealth
* the measurement of the income and wealth distribution, i.e. the Lorenz curve and the Gini coefficient

**Economics Skills*** select and use appropriate terminology
* use economic models to analyse and convey economic theory and reasoning related to macroeconomic events and issues, including the Lorenz curve
* apply mathematical techniques relevant to macroeconomics including interpreting Lorenz curves

**Task 7: Investigation (Issue)** |
| 12–13 | **Economic Knowledge and Understanding: Government in the macroeconomy*** the size and composition of Commonwealth government revenue and spending in Australia
* the distinction between direct/indirect taxation, progressive/regressive/proportional taxation, taxes on income/expenditure
* types of Commonwealth taxes, including personal and income tax, goods and services tax, company tax and excise duty

**Economic Skills*** select and use appropriate terminology
* apply mathematical techniques relevant to macroeconomics including calculating marginal and average rates of taxation
* select and/or use economic information and data to:
* identify trends and relationships in the macroeconomy
* analyse macroeconomic issues and events
* link economic theory to contemporary macroeconomic events and issues
* justify a conclusion
 |
| 14 | **Economic Knowledge and Understanding: Government in the macroeconomy*** the macroeconomic objectives of the Australian Government including: sustainable economic growth; price stability; full employment; and a more equitable distribution of income

**Economic Skills*** select and use appropriate terminology
* apply mathematical techniques relevant to macroeconomics including calculating marginal and average rates of taxation
* select and/or use economic information and data to:
* identify trends and relationships in the macroeconomy
* analyse macroeconomic issues and events
* predict movements in macroeconomic trends using indicators
* 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
* reference to a diagram/model/data to support a written response
* applying problem-solving, critical thinking and decision-making strategies to predict a macroeconomic outcome
* recommending a range of demand management policies to achieve Australia’s macroeconomic objectives and mitigate demand and supply shocks

**Task 7: Investigation (Submit)** |
| 15 | Unit 2 Revision |
| 16 | **Task 8: Semester 2 Examination** |