



COURSE OUTLINE ECONOMICS – ATAR YEAR 12: 2021 UNIT 3 AND UNIT 4



This course will run the two units, 3 and 4, concurrently. The student Semester 1 grade will therefore be an estimate.

Term	Week	Topic and key teaching points	Syllabus content	WALT and WILF	Assessment
1	1-2	<p>Global Interdependence</p> <p>Understand the linkages between economies including trade, foreign investment, tourism and immigration and the effects it has on Australian economy.</p> <ul style="list-style-type: none"> linkages between economies (including trade, foreign investment, tourism and immigration)the composition of global trade global trade by major region changes in the pattern of global trade over time the significance of the US and Chinese economies to global trade the relationship between global trade and economic growth the concept and determinants of international competitiveness (including productivity, real unit labour costs, the exchange rate, inflation, education, technology, economic policy) the concept of globalisation economic indicators of globalisation (including growth in trade, foreign 	<p>Economic knowledge and understanding: Global interdependence</p> <ul style="list-style-type: none"> linkages between economies (including trade, foreign investment, tourism and immigration)the composition of global trade global trade by major region changes in the pattern of global trade over time the significance of the US and Chinese economies to global trade the relationship between global trade and economic growth the concept and determinants of international competitiveness (including productivity, real unit labour costs, the exchange rate, inflation, education, technology, economic policy) the concept of globalisation economic indicators of globalisation (including growth in trade, foreign investment, flows of people, growth in communications) the factors facilitating globalisation (including trade liberalisation, advances in transport and communications, growth in multinational corporations) the economic effects of globalisation (both costs and benefits) 	<p>WALT: Understand the linkages between economies including trade, foreign investment, tourism and immigration.</p> <p>WILF: The economic effects of globalisation (both costs and benefits)</p>	



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		<p>investment, flows of people, growth in communications)</p> <ul style="list-style-type: none"> the factors facilitating globalisation (including trade liberalisation, advances in transport and communications, growth in multinational corporations) the economic effects of globalisation (both costs and benefits) 	<p>Economic skills: Reasoning, interpretation and analysis</p> <ul style="list-style-type: none"> identify trends and relationships in economic information and data on Australia’s international trading relationships use economic information and data to make predictions on Australia’s international trading relationships use evidence found in economic information and data to justify a conclusion <p>Economic skills: Communication</p> <ul style="list-style-type: none"> select and use appropriate terminology select and use appropriate formats when communicating economic understandings use economic models to convey economic theory and reasoning about Australia’s international transactions 		
1	3-5	<p>Free trade and protection Understand the significance of trade for the Australian economy and the effects tariff, subsidies using the demand/supply model to explain how the affect free trade.</p> <ul style="list-style-type: none"> The significance of trade for the Australian economy (e.g. proportion of GDP and employment linked to trade) The theory of absolute and comparative advantage 	<p>Free trade and protection</p> <ul style="list-style-type: none"> The significance of trade for the Australian economy (e.g. proportion of GDP and employment linked to trade) The theory of absolute and comparative advantage Comparative advantage and the concept of opportunity cost The sources of comparative advantage The gains from specialisation and trade 	<p>WALT: Understand the significance of trade for the Australian economy.</p> <p>WILF: The effects of a tariff, subsidies using the demand/supply model</p>	<p>Task 1: Global interdependence 10 multiple-choice questions and two data interpretation/short answer questions consisting of a number of parts based on the extent of globalisation and the patterns and trends in global trade</p>



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		<ul style="list-style-type: none"> ● Comparative advantage and the concept of opportunity cost ● The sources of comparative advantage ● The gains from specialisation and trade ● Comparative advantage and the production possibility frontier (PPF) model ● Comparative advantage and the demand/supply model ● The gains from both exports and imports (changes to consumer and producer surplus) ● The meaning of protection ● Different forms of protection, including tariffs and subsidies ● The effects of a tariff using the demand/supply model ● The effects of a subsidy using the demand/supply model ● The inefficiency of tariffs and subsidies (changes to consumer and producer surplus) ● The concept of trade liberalisation ● The arguments for trade liberalisation ● The arguments against trade liberalisation (arguments for protection) ● The influence of world organisations on global trade, including the World Trade Organisation (WTO) and the International Monetary Fund (IMF) ● The concept of free trade agreements 	<ul style="list-style-type: none"> ● Comparative advantage and the production possibility frontier (PPF) model ● Comparative advantage and the demand/supply model ● The gains from both exports and imports (changes to consumer and producer surplus) ● The meaning of protection ● Different forms of protection, including tariffs and subsidies ● The effects of a tariff using the demand/supply model ● The effects of a subsidy using the demand/supply model ● The inefficiency of tariffs and subsidies (changes to consumer and producer surplus) ● The concept of trade liberalisation ● The arguments for trade liberalisation ● The arguments against trade liberalisation (arguments for protection) ● The influence of world organisations on global trade, including the World Trade Organisation (WTO) and the International Monetary Fund (IMF) ● The concept of free trade agreements ● Types of free trade agreements (multilateral, regional and bilateral) ● Recent Australian free trade agreements. <p>Economic skills: Reasoning, interpretation and analysis</p>		
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		<ul style="list-style-type: none"> Types of free trade agreements (multilateral, regional and bilateral) Recent Australian free trade agreements 	<ul style="list-style-type: none"> apply mathematical techniques relevant to international trade, including calculating opportunity cost ratios use microeconomic models to analyse Australia's international transactions, including the production possibility frontier model, the demand and supply model, the theories of absolute and comparative advantage <p>Economic skills: Communication</p> <ul style="list-style-type: none"> select and use appropriate terminology select and use appropriate formats when communicating economic understandings use economic models to convey economic theory and reasoning about Australia's international transactions 		
1	6	<p>Pattern of trade</p> <p>Understand the Australia's trade intensity composition and direction and its measurement, comparison with other countries and how changes in the direction and composition of Australia's trade over time.</p> <ul style="list-style-type: none"> Australia's trade intensity – measurement, comparison with other countries Changes in Australia's trade intensity The composition of Australia's trade – main categories of exports and imports 	<p>Pattern of trade</p> <ul style="list-style-type: none"> Australia's trade intensity – measurement, comparison with other countries Changes in Australia's trade intensity The composition of Australia's trade – main categories of exports and imports Changes in Australia's composition of trade over time The direction of Australia's trade – main trading partners for both exports and imports Changes in the direction of Australia's trade over time 	<p>WALT: Understand the Australia's trade intensity composition and direction – measurement, comparison with other countries</p> <p>WILF: Changes in the direction and composition of Australia's trade over time</p>	<p>Task 2: International competitiveness and free trade – 'seen' essay</p> <p>The question will cover the factors influencing international competitiveness and the gains from free trade</p>



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		<ul style="list-style-type: none"> • Changes in Australia’s composition of trade over time • The direction of Australia’s trade – main trading partners for both exports and imports • Changes in the direction of Australia’s trade over time 			
1	7-8	<p>Balance of payments</p> <p>Understand the structure of Australia’s balance of payments – the current account and the capital/financial account and the significance and the impact of Australia’s current account deficit.</p> <ul style="list-style-type: none"> • The concept of the balance of payments • The structure of Australia’s balance of payments – the current account and the capital/financial account • The link between the current account balance and the capital/financial account balance • The current account balance – the goods and services balance and the income balance • Structural and cyclical reasons for Australia’s current account deficit • The business cycle and the current account deficit 	<p>Balance of payments</p> <ul style="list-style-type: none"> • The concept of the balance of payments • The structure of Australia’s balance of payments – the current account and the capital/financial account • The link between the current account balance and the capital/financial account balance • The current account balance – the goods and services balance and the income balance • Structural and cyclical reasons for Australia’s current account deficit • The business cycle and the current account deficit • Australia’s investment-savings gap and the current account deficit • The link between the income balance and the financial account • Changes in Australia’s current account deficit over the past ten years • The significance of Australia’s current account deficit 	<p>WALT: Understand The structure of Australia’s balance of payments – the current account and the capital/financial account</p> <p>WILF: The significance and the impact of Australia’s current account deficit</p>	



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		<ul style="list-style-type: none"> • Australia’s investment-savings gap and the current account deficit • The link between the income balance and the financial account • Changes in Australia’s current account deficit over the past ten years • The significance of Australia’s current account deficit 	<p>Economic skills: Reasoning, interpretation and analysis</p> <ul style="list-style-type: none"> • identify trends and relationships in economic information and data on Australia’s international trading relationships • apply mathematical techniques relevant to international trade, including balance of payments calculations, such as the balance on goods and services, balance on current account, balance on capital and financial account • apply economic reasoning to analyse issues and events in relation to Australia’s international transactions • use evidence found in economic information and data to justify a conclusion 		
1	9	<p>Terms of trade</p> <p>Understand the concept of the terms of trade index – export price index and the import price index and the effect of the terms of trade on national income.</p> <ul style="list-style-type: none"> • The concept of the terms of trade and concept of the terms of trade index – export price index and the import price index • The factors that affect the terms of trade – including commodity prices, global growth 	<p>Terms of trade</p> <ul style="list-style-type: none"> • The concept of the terms of trade and concept of the terms of trade index – export price index and the import price index • The factors that affect the terms of trade – including commodity prices, global growth • Changes in Australia’s terms of trade over the past ten years • The significance of changes in the terms of trade • Effects of changes in the terms of trade on the balance of payments, the exchange rate and the level of economic activity • The effect of the terms of trade on national income 	<p>WALT: Understand the concept of the terms of trade index – export price index and the import price index</p> <p>WILF: The effect of the terms of trade on national income</p>	<p>Task 3: Balance of payments</p> <p>One data interpretation/short-answer question consisting of a number of parts based on the structure of the balance of payments and changes in the current account</p>



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		<ul style="list-style-type: none"> • Changes in Australia’s terms of trade over the past ten years • The significance of changes in the terms of trade • Effects of changes in the terms of trade on the balance of payments, the exchange rate and the level of economic activity • The effect of the terms of trade on national income 	<p>Economic skills: Reasoning, interpretation and analysis</p> <ul style="list-style-type: none"> • identify trends and relationships in economic information and data on Australia’s international trading relationships • apply mathematical techniques relevant to international trade, including calculating the terms of trade index • apply economic reasoning to analyse issues and events in relation to Australia’s international transactions 		
1-2	10-11	<p>Exchange rates</p> <p>Understand the concept of exchange rate and the foreign exchange market and changes in Australia’s exchange rate over the past ten years.</p> <ul style="list-style-type: none"> • The concept of an exchange rate • The foreign exchange market • The trade weighted index • Australia’s free exchange rate – application of the demand/supply model • Factors that affect the demand for and supply of Australian dollars • Application of the demand/supply model to show movements in the 	<p>Exchange rates</p> <ul style="list-style-type: none"> • The concept of an exchange rate • The foreign exchange market • The trade weighted index • Australia’s free exchange rate – application of the demand/supply model • Factors that affect the demand for and supply of Australian dollars • Application of the demand/supply model to show movements in the exchange rate – both appreciation and depreciation • Key determinants of Australia’s exchange rate – including commodity prices, relative interest rates (interest rate differential), world economic growth • The relationship between the balance of payments and the exchange rate 	<p>WALT: Understand the concept of exchange rate and the foreign exchange market</p> <p>WILF: Changes in Australia’s exchange rate over the past ten years</p>	



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		<p>exchange rate – both appreciation and depreciation</p> <ul style="list-style-type: none"> • Key determinants of Australia’s exchange rate – including commodity prices, relative interest rates (interest rate differential), world economic growth • The relationship between the balance of payments and the exchange rate • The effects of changes in the exchange rate on the economy – including exports and imports, mining and manufacturing sectors, tourism, aggregate demand, inflation • Changes in Australia’s exchange rate over the past ten years 	<ul style="list-style-type: none"> • The effects of changes in the exchange rate on the economy – including exports and imports, mining and manufacturing sectors, tourism, aggregate demand, inflation • Changes in Australia’s exchange rate over the past ten years 		
2	12-13	<p>Foreign investment</p> <p>The distinction between foreign investment into Australia and Australian investment abroad and its benefits and costs.</p> <ul style="list-style-type: none"> • The concept of foreign investment • The distinction between foreign investment into Australia and Australian investment abroad • The distinction between foreign assets and foreign liabilities • The distinction between foreign direct and foreign portfolio investment 	<p>Foreign investment</p> <ul style="list-style-type: none"> • The concept of foreign investment • The distinction between foreign investment into Australia and Australian investment abroad • The distinction between foreign assets and foreign liabilities • The distinction between foreign direct and foreign portfolio investment • The link between foreign investment and the balance of payments • The types of foreign liabilities – foreign debt and foreign equity • The types of income payments associated with foreign liabilities 	<p>WALT: The distinction between foreign investment into Australia and Australian investment abroad</p> <p>WILF: The benefits and costs of Australia’s foreign debt</p>	<p>Task 4: Essay</p> <p>The question(s) will cover the determination of the exchange rate, and the impact of changes in the exchange rate</p>



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	<ul style="list-style-type: none">• The link between foreign investment and the balance of payments• The types of foreign liabilities – foreign debt and foreign equity• The types of income payments associated with foreign liabilities• The link between foreign liabilities and the current account• Changes in Australia’s foreign direct investment over the past ten years• Changes in Australia’s foreign debt over the past ten years• The benefits and costs of Australia’s foreign direct investment• The benefits and costs of Australia’s foreign debt	<ul style="list-style-type: none">• The link between foreign liabilities and the current account• Changes in Australia’s foreign direct investment over the past ten years• Changes in Australia’s foreign debt over the past ten years• The benefits and costs of Australia’s foreign direct investment• The benefits and costs of Australia’s foreign debt <p>Economic skills: Reasoning, interpretation and analysis</p> <ul style="list-style-type: none">• identify and organise relevant information within sources• identify trends and relationships in economic information and data on Australia’s international trading relationships• use economic information and data to make predictions on Australia’s international trading relationships <p>Economic skills: Communication</p> <ul style="list-style-type: none">• select and use appropriate terminology• select and use appropriate formats when communicating economic understandings• use economic models to convey economic theory and reasoning about Australia’s international transactions•		
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2	14	<p>Exam Revision</p>	<p>OUTCOME 1: ECONOMIC INQUIRY OUTCOME 2: THE OPERATION OF THE ECONOMY OUTCOME 3: ECONOMIC POLICY AND ACTION ECONOMIC KNOWLEDGE AND UNDERSTANDING: Australia and the global economy</p>		
2	15	<p>Semester 1 Examination</p>	<p>OUTCOME 1: ECONOMIC INQUIRY OUTCOME 2: THE OPERATION OF THE ECONOMY OUTCOME 3: ECONOMIC POLICY AND ACTION ECONOMIC KNOWLEDGE AND UNDERSTANDING: Australia and the global economy</p>		<p>Task 5: Semester 1 Examination – 3 hours using the examination design brief from the ATAR Year 12 syllabus Section One: 24 multiple-choice questions (24%) Section Two: three data interpretation/short-answer questions (36%) Section Three: two essay/extended-answer questions from a choice of four (40%)</p>
2	1	<p>The business cycle</p> <p>Understand the characteristics of the phases of the business cycle and effects of the business cycle on key economic indicators (including real GDP, inflation, unemployment, retail sales, business investment, share prices)</p> <ul style="list-style-type: none"> ● The concept of the business cycle 	<p>The business cycle</p> <ul style="list-style-type: none"> ● The concept of the business cycle ● The distinction between actual GDP and potential GDP ● The characteristics of the phases of the business cycle ● The effect of the business cycle on key economic indicators (including real GDP, inflation, unemployment, retail sales, business investment, share prices) 	<p>WALT: Understand the characteristics of the phases of the business cycle</p> <p>WILF: The effect of the business cycle on key economic indicators (including real GDP, inflation, unemployment,</p>	



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		<ul style="list-style-type: none"> • The distinction between actual GDP and potential GDP • The characteristics of the phases of the business cycle • The effect of the business cycle on key economic indicators (including real GDP, inflation, unemployment, retail sales, business investment, share prices) • Causes of the business cycle (including domestic and external factors) 	<ul style="list-style-type: none"> • Causes of the business cycle (including domestic and external factors) <p>Economic skills: Reasoning, interpretation and analysis</p> <ul style="list-style-type: none"> • identify and organise relevant information within sources • identify trends and relationships in economic information and data regarding Australia's economic policy and management • use economic information and data to make predictions on Australia's economic policy and management • interpret changes in economic data, including prices, unemployment, economic growth, the labour force and productivity 	retail sales, business investment, share prices)	
2	2-3	<p>The aggregate expenditure model</p> <p>The concept of the consumption function and the marginal propensity to consume (mpc) and the marginal propensity to save (mps) and the effects of changes in aggregate expenditure on the equilibrium level of income/output.</p> <ul style="list-style-type: none"> • The components of aggregate expenditure <ul style="list-style-type: none"> ▪ consumption ▪ investment ▪ government spending 	<p>The aggregate expenditure model</p> <ul style="list-style-type: none"> • The components of aggregate expenditure <ul style="list-style-type: none"> ▪ consumption ▪ investment ▪ government spending ▪ net exports • Factors affecting each of the components of aggregate expenditure • The concept of the consumption function • The concept of the marginal propensity to consume (mpc) and the marginal propensity to save (mps) 	<p>WALT: The concept of the consumption function and the marginal propensity to consume (mpc) and the marginal propensity to save (mps)</p> <p>WILF: The effect of changes in aggregate expenditure on the equilibrium level of income/output</p>	<p>Task 6: Aggregate expenditure and the business cycle 10 multiple-choice questions and a data interpretation/short-answer question consisting of a number of parts based on the aggregate expenditure model and the effect of changes in aggregate expenditure has on the business cycle.</p>



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		<ul style="list-style-type: none"> ▪ net exports • Factors affecting each of the components of aggregate expenditure • The concept of the consumption function • The concept of the marginal propensity to consume (mpc) and the marginal propensity to save (mps) • The concept of the aggregate expenditure (AE) model and macroeconomic equilibrium • The concept of the multiplier • The relationship between the mpc and the multiplier • The multiplier and the aggregate expenditure (AE) model • The effect of changes in aggregate expenditure on the equilibrium level of income/output 	<ul style="list-style-type: none"> • The concept of the aggregate expenditure (AE) model and macroeconomic equilibrium • The concept of the multiplier • The relationship between the mpc and the multiplier • The multiplier and the aggregate expenditure (AE) model • The effect of changes in aggregate expenditure on the equilibrium level of income/output <p>Economic skills: Reasoning, interpretation and analysis</p> <ul style="list-style-type: none"> • apply mathematical techniques relevant to macroeconomic analysis, including: calculating the value of the marginal propensity to consume, the marginal propensity to save, and the multiplier; determining the budget outcome; interpreting changes in economic indicators, such as the CPI, GDP and labour force data; calculating a percentage rate of change • use macroeconomic models to analyse Australia’s policy stance, including the Keynesian aggregate expenditure model <p>Economic skills: Communication</p> <ul style="list-style-type: none"> • select and use appropriate terminology • select and use appropriate formats when communicating economic understandings 		
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			<ul style="list-style-type: none"> use economic models to convey economic theory and reasoning about Australia's policy mix. 		
2	4-5	<p>The aggregate demand and aggregate supply model</p> <p>Understand the aggregate demand and aggregate supply model and the effect of changes in aggregate demand (shifts of the AD curve) on macroeconomic equilibrium.</p> <ul style="list-style-type: none"> The aggregate demand (AD) curve The distinction between a movement along and a shift of the AD curve Factors that can shift the AD curve The distinction between the short run aggregate supply (SRAS) curve and the long run aggregate supply (LRAS) curve The distinction between a movement along and a shift of the SRAS curve Factors that can shift the SRAS and the LRAS curves Macroeconomic equilibrium and the AD/AS model The distinction between short run equilibrium and long run equilibrium 	<p>The aggregate demand and aggregate supply model</p> <ul style="list-style-type: none"> The aggregate demand (AD) curve The distinction between a movement along and a shift of the AD curve Factors that can shift the AD curve The distinction between the short run aggregate supply (SRAS) curve and the long run aggregate supply (LRAS) curve The distinction between a movement along and a shift of the SRAS curve Factors that can shift the SRAS and the LRAS curves Macroeconomic equilibrium and the AD/AS model The distinction between short run equilibrium and long run equilibrium (the distinction between actual GDP and potential GDP) The effect of changes in aggregate demand (shifts of the AD curve) on macroeconomic equilibrium 	<p>WALT: Understand the aggregate demand and aggregate supply model</p> <p>WILF: The effect of changes in aggregate demand (shifts of the AD curve) on macroeconomic equilibrium</p>	



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		<p>(the distinction between actual GDP and potential GDP)</p> <ul style="list-style-type: none"> • The effect of changes in aggregate demand (shifts of the AD curve) on macroeconomic equilibrium • The effect of changes in short run aggregate supply (shifts of the SRAS curve) on macroeconomic equilibrium • Causes of the business cycle using the AD/AS model • The tendency for the economy to 'self-correct' to potential GDP 	<ul style="list-style-type: none"> • The effect of changes in short run aggregate supply (shifts of the SRAS curve) on macroeconomic equilibrium • Causes of the business cycle using the AD/AS model • The tendency for the economy to 'self-correct' to potential GDP 		
3	6	<p>Economic policy objectives</p> <p>Understand the economic policy objectives of the Australian Government and the extent to which policy objectives may conflict and complement one another.</p> <ul style="list-style-type: none"> • The economic policy objectives of the Australian Government <ul style="list-style-type: none"> ▪ sustainable economic growth ▪ low inflation (price stability) ▪ low unemployment (full employment) ▪ a more equitable distribution of income ▪ the efficient allocation of resources • The economic policy objectives of the Reserve Bank of Australia (RBA) <ul style="list-style-type: none"> ▪ price stability 	<p>Economic policy objectives</p> <ul style="list-style-type: none"> • The economic policy objectives of the Australian Government <ul style="list-style-type: none"> ▪ sustainable economic growth ▪ low inflation (price stability) ▪ low unemployment (full employment) ▪ a more equitable distribution of income ▪ the efficient allocation of resources • The economic policy objectives of the Reserve Bank of Australia (RBA) <ul style="list-style-type: none"> ▪ price stability ▪ full employment ▪ economic prosperity and welfare • The extent to which policy objectives may conflict and complement one another • The time lags which occur in the use of economic policies (data/recognition, decision/implementation, effect/impact) 	<p>WALT: Understand the economic policy objectives of the Australian Government.</p> <p>WILF: The extent to which policy objectives may conflict and complement one another</p>	<p>Task 7: Aggregate demand/Aggregate supply model & economic policy objectives -essay The question(s) will cover the economic policy objectives of the Australian Government, and the way in which objectives may conflict or complement one another</p>



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		<ul style="list-style-type: none"> ▪ full employment ▪ economic prosperity and welfare • The extent to which policy objectives may conflict and complement one another • The time lags which occur in the use of economic policies (data/recognition, decision/implementation, effect/impact) 			
3	7-8	<p>Economic knowledge and understanding: Fiscal policy</p> <p><i>Understand the concepts of fiscal policy and the budget component of government revenue and expenditure.</i></p> <ul style="list-style-type: none"> • the concept of fiscal policy and the government's budget the components of government revenue and expenditure in the budget • the distinction between a surplus, deficit and balanced budget • the distinction between the planned and actual budget outcomes • the distinction between automatic fiscal stabilisers and discretionary fiscal policy • the distinction between budget outcomes associated with automatic fiscal stabilisers and budget outcomes 	<p>Fiscal Policy</p> <ul style="list-style-type: none"> • the concept of fiscal policy and the government's budget the components of government revenue and expenditure in the budget • the distinction between a surplus, deficit and balanced budget • the distinction between the planned and actual budget outcomes • the distinction between automatic fiscal stabilisers and discretionary fiscal policy • the distinction between budget outcomes associated with automatic fiscal stabilisers and budget outcomes associated with discretionary fiscal policy • methods of financing a budget deficit and the uses of a budget surplus • the link between a budget deficit and government debt 	<p>WALT: Understand the concepts of fiscal policy and the budget component of government revenue and expenditure.</p> <p>WILF: The application and the effect of fiscal policy on the aggregate supply (AS) curve.</p>	Task 8 Handed out.



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		<p>associated with discretionary fiscal policy</p> <ul style="list-style-type: none"> • methods of financing a budget deficit and the uses of a budget surplus • the link between a budget deficit and government debt • the distinction between expansionary, contractionary and neutral fiscal policy stances • the impact of different fiscal policy stances on the level of economic activity • fiscal policy and the multiplier effect • the effect of fiscal policy on the aggregate demand (AD) curve • the effect of fiscal policy on the aggregate supply (AS) curve • the time lags of fiscal policy • strengths and weaknesses of fiscal policy • contemporary (the last three years) fiscal policy stances in Australia 	<ul style="list-style-type: none"> • the distinction between expansionary, contractionary and neutral fiscal policy stances • the impact of different fiscal policy stances on the level of economic activity • fiscal policy and the multiplier effect • the effect of fiscal policy on the aggregate demand (AD) curve • the effect of fiscal policy on the aggregate supply (AS) curve • the time lags of fiscal policy • strengths and weaknesses of fiscal policy • contemporary (the last three years) fiscal policy stances in Australia. <p>Economic skills: Reasoning, interpretation and analysis</p> <ul style="list-style-type: none"> • use macroeconomic models to analyse Australia’s policy stance, including the Keynesian aggregate expenditure model and the aggregate demand and aggregate supply model • apply economic reasoning to Australia’s economic position and policy mix • use evidence found in economic information and data to justify a conclusion <p>Economic skills: Communication</p> <ul style="list-style-type: none"> • select and use appropriate terminology • select and use appropriate formats when communicating economic understandings 		
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			<ul style="list-style-type: none"> use economic models to convey economic theory and reasoning about Australia’s policy mix 		
9-10		<p>Economic knowledge and understanding: Monetary policy</p> <p>Understand the concepts of monetary policy and the cash rate and contemporary (the last three years) monetary policy stances in Australia.</p> <ul style="list-style-type: none"> the concepts of monetary policy and the cash rate the Reserve Bank of Australia’s (RBA) inflation target the transmission mechanism of monetary policy the link between interest rates and aggregate expenditure the link between interest rates and the exchange rate the effect of monetary policy on the aggregate demand (AD) curve the concepts of expansionary, contractionary and neutral monetary policy stances 	<p>Monetary Policy</p> <ul style="list-style-type: none"> identify research questions to investigate select appropriate print and electronic media sources of economic information and data on Australia’s economic policy and management apply appropriate methods of recording and organising macroeconomic information, including spreadsheets, graphs and tables apply problem-solving, critical thinking and decision-making strategies to achieve outcomes which may be predictable and contestable by nature <p>Economic skills: Reasoning, interpretation and analysis</p> <ul style="list-style-type: none"> identify and organise relevant information within sources identify trends and relationships in economic information and data regarding Australia’s economic policy and management 	<p>WALT: Understand the concepts of monetary policy and the cash rate</p> <p>WILF: Contemporary (the last three years) monetary policy stances in Australia</p>	<p>Task 8: Budget investigation (fiscal policy)- Due in</p> <p>A Federal Budget investigation consisting of a number of parts based on budgets, discretionary and automatic stabilisers, fiscal policy stances, and the strengths and weaknesses of fiscal policy</p>



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		<ul style="list-style-type: none"> circumstances under which the RBA may change the cash rate the impact of different monetary policy stances on the level of economic activity the time lags of monetary policy strengths and weaknesses of monetary policy contemporary (the last three years) monetary policy stances in Australia 	<ul style="list-style-type: none"> use economic information and data to make predictions on Australia’s economic policy and management interpret changes in economic data, including prices, unemployment, economic growth, the labour force and productivity <p>Economic skills: Communication</p> <ul style="list-style-type: none"> reflect on the investigation process 		
3	11	<p>Economic knowledge and understanding:</p> <p>Structural change</p> <p>Understand the Economic indicators of structural change and the relationship between economic growth and structural change.</p> <ul style="list-style-type: none"> the concept of structural change economic indicators of structural change the causes of structural change the effects of structural change the relationship between economic growth and structural change 	<p>Structural Change</p> <ul style="list-style-type: none"> the concept of structural change economic indicators of structural change the causes of structural change the effects of structural change the relationship between economic growth and structural change <p>Economic skills: Communication</p> <ul style="list-style-type: none"> select and use appropriate terminology select and use appropriate formats when communicating economic understandings 	<p>WALT: Understand the Economic indicators of structural change</p> <p>WILF: The relationship between economic growth and structural change</p>	



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3	12-13	<p>Economic knowledge and understanding:</p> <p>Measures to improve productivity</p> <p>Understand the distinction between labour productivity and multifactor productivity and the impact of productivity on the achievement of macroeconomic objectives.</p> <ul style="list-style-type: none"> • the concept of productivity • the distinction between labour productivity and multifactor productivity • the determinants of productivity growth • the relationship between productivity and economic growth • recent (the last ten years) trends in productivity in Australia • the effect of productivity growth on the AD/AS model • recent (the last ten years) government policies that promote productivity and economic growth: <ul style="list-style-type: none"> ▪ labour market reform ▪ taxation reform ▪ trade liberalisation ▪ deregulation and competition policy ▪ investment in infrastructure ▪ education and training 	<p>Measures to improve productivity</p> <ul style="list-style-type: none"> • the concept of productivity • the distinction between labour productivity and multifactor productivity • the determinants of productivity growth • the relationship between productivity and economic growth • recent (the last ten years) trends in productivity in Australia • the effect of productivity growth on the AD/AS model • recent (the last ten years) government policies that promote productivity and economic growth: <ul style="list-style-type: none"> ▪ labour market reform ▪ taxation reform ▪ trade liberalisation ▪ deregulation and competition policy ▪ investment in infrastructure ▪ education and training ▪ research and innovation • the impact of productivity on the achievement of macroeconomic objectives 	<p>WALT: Understand the distinction between labour productivity and multifactor productivity</p> <p>WILF: The impact of productivity on the achievement of macroeconomic objectives</p>	<p>Task 9: Monetary policy</p> <p>One data interpretation/short answer question consisting of a number of parts based on aggregate expenditure, aggregate demand, aggregate supply, and monetary policy</p>
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		<ul style="list-style-type: none"> ▪ research and innovation • the impact of productivity on the achievement of macroeconomic objectives 			
3	14	Revision	OUTCOME 1: ECONOMIC INQUIRY OUTCOME 2: THE OPERATION OF THE ECONOMY OUTCOME 3: ECONOMIC POLICY AND ACTION ECONOMIC KNOWLEDGE AND UNDERSTANDING: Australia and the global economy and Economic policies and Management.		
	15	Task 10: Semester 2 Examination	Australia and the global economy and Economic policies and Management		Task 10: Semester 2 Examination – 3 hours using the examination design brief from the ATAR Year 12 syllabus Section One: 24 multiple-choice questions (24%) Section Two: three data interpretation/short-answer questions (36%) Section Three: two essay/extended-answer questions from a choice of four (40%)



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